

**SUFFOLK COUNTY LEGISLATURE
SPECIAL MEETING
NOVEMBER 18, 2002
EIGHTEENTH DAY**

**MEETING HELD AT THE WILLIAM H. ROGERS LEGISLATURE BUILDING
IN THE ROSE Y. CARACAPPA AUDITORIUM
VETERANS MEMORIAL HIGHWAY, SMITHTOWN, NEW YORK**

**MINTES TAKEN BY LUCIA BRAATEN and DONNA CATALANO, COURT STENOGRAPHER
MINUTES TRANSCRIBED BY DONNA CATALANO, COURT STENOGRAPHER**

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(*THE MEETING WAS CALLED TO ORDER AT 1:07 P.M.*)

P.O. TONNA:

We don't want to recess this meeting, right? No, just joking. All right. All stand for Pledge led by Legislator Guldi.

SALUTATION

P.O. TONNA:

Roll call, Henry. I guess the roll call is supposed to be first, but you know.

MR. BARTON:

You're the Chairman.

P.O. TONNA:

Yeah, right.

(ROLL CALLED BY HENRY BARTON, CLERK)

LEG. CARACCILOLO:

Here.

LEG. GULDI:

Here.

LEG. TOWLE:

(Not present).

LEG. CARACAPPA:
Here.

LEG. FISHER:
Here.

LEG. HALEY:
Here.

LEG. FOLEY:
Present.

LEG. LINDSAY:
Here.

LEG. FIELDS:
Here.

LEG. ALDEN:
Here.

LEG. CARPENTER:
Here.

LEG. CRECCA:
Here.

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LEG. NOWICK:
Here.

LEG. BISHOP:
Here.

LEG. BINDER:
Here.

LEG. COOPER:
(Not present).

LEG. POSTAL:
Here.

P.O. TONNA:
Here.

MR. BARTON:
16 present.

LEG. BINDER:
Cooper's here.

P.O. TONNA:
He's here, but he's not here. He's here now.

MR. BARTON:
17 present.

P.O. TONNA:
17 present. Who's missing, Legislator Towle? Okay. Anyway, all right. Henry, could you, please, read the meeting notice.

MR. BARTON:
Received on Thursday November 14th at 12:50 PM. To all Suffolk County Legislators, from Robert J. Gaffney, Suffolk County Executive, notice of a special meeting. Please be advised that a special meeting of the Suffolk County Legislature will be held on Monday November 18th, 2002 at 1:00 PM in the afternoon in the Rose Caracappa Legislative Auditorium located at the William Rogers Legislature building, 725 Veterans Memorial Highway, Hauppauge, New York, pursuant to Section A2-6B of the Suffolk County Administrative Code for the following purposes, and there are two listed; to consider and vote on a resolution repealing the sales and compensating use tax, exemption for clothing and footwear sales and to consider and vote on IR 2046. It's signed by the County Executive.

P.O. TONNA:
Okay. Thank you very much. In our rules, we have an hour public portion. My intention is, obviously, we have some cards that have been filled out. We're going to go through that. I would just ask Legislators, let's not go beyond the one hour. Hopefully, if we move through these cards. Our first speaker is going to be the County Executive, Robert Gaffney. And after his three minutes, if they're up, I will ask a question so that he can continue, so we're not going

to cut the County Executive off from his presentation. Okay. First card, Bob.

COUNTY EXECUTIVE GAFFNEY:
Good afternoon and thank you.

P.O. TONNA:
And three minutes into your presentation, Bob, we're going to have to stop, and I'm going to ask you would you like to continue -- or I have to find a question that you can continue with regard to our rules.

COUNTY EXECUTIVE GAFFNEY:

Okay.

P.O. TONNA:

All right?

COUNTY EXECUTIVE GAFFNEY:

Sounds good to me. Thank you. Good afternoon, Presiding Officer Tonna, Deputy Presiding Officer Postal. As you know, my review of the amendments that you've made to next year's Operating Budget and any vetoes that I exercise must be completed by the close of business today. And before I finish that process, I've taken the unusual step of calling you together in an attempt to create the unity of purpose that has escaped us so far in this process. I know that some of you consider it a kamikaze mission essentially, but sometimes elected officials must take political risks. Sometimes when the stakes are high enough for the taxpayers, these things have to be done. You know these are as everybody understands, very difficult times. I know that we can agree on that. I also think we can agree that protecting the taxpayers and the financial condition of the County should be our top priority. Our only disagreement is about the best way to accomplish that.

Now, I didn't come here to argue, to point fingers or to engage in a political debate. There's already been enough of that. I think we can agree on that as well. Although we may not be able to avoid at least a little bit more of it before the end of the day. Instead I've come here to ask that we pause, step back, and think about where this county is headed. Let's all put down our swords and take a deep breath before this thing gets out of control. This is not about which branch of government sets policy in this County or who does a better job of making their case to the media, it's about holding down property taxes. It's about keeping county government functioning at a time when its being suffocated by costs that we do not control. And it's about making sure that our short-term actions don't cost taxpayers more, much more, over the long-term. Its a problem being debated in every city in every county across this state, and I'm sure in a lot of places outside of this state. And just like it is here, the frustration level in counties throughout the state is very high.

No elected official likes proposing a budget that cuts spending for important services. You know that. Cutting the work force and reducing funding for contract agencies are not actions taken lightly. And no elected official wants to propose any kind of tax revenue increase at all if there are reasonable alternatives. But we have to

look at what's going on around us. Every county in the State of New York is making tough decisions. In Delaware County there's a 35% property tax increase on the table. Chautauqua County, 31%. Allegheny County is talking about a 30% increase in property taxes. Albany and Ulster County are both planning 24% tax increases.

P.O. TONNA:

Bob, sounds like you have some good thoughts, and I'd like you to please continue. If you don't mind answering, just what else do you have on your mind?

COUNTY EXECUTIVE GAFFNEY:

I have a few other things that I'd like to relate to as well. That was so artfully done. So not just Albany and Ulster County planning these 24% tax increases, Dutchess County is facing a 10% increase in property taxes and a three-quarter percent increase in their sales tax. Rockland County is considering a 5% increase in property taxes and the reinstatement of the sales tax on clothing. And the Wall Street agencies, the bond writing agencies that review our bond rating will be asking how is it possible that of all of these counties, only Suffolk can get by without raising revenues? Let's face it, together we've done a lot of great things in this County, and I'm proud of what we've done, and I'm sure a lot of are just as proud of it. We've put Suffolk County on the map as a national leader for open space preservation, tobacco control and welfare reform, just to name a few. We've seen our bond rating upgraded three times since 1998, but even Suffolk County can't weather this situation without increasing revenues. We're good, but we're not that good. Now, it's true, that County general taxes make up about 2% of the average tax bill, and it's true that under both my recommended budget and the amended budget, general fund property taxes will be 60% lower than they were ten years ago. That's a record we're very proud of, all of us. But we have some tough decisions to make. We can't avoid them, we can't put it off, it has to be done.

As the Legislature's Budget Review Office has warned, putting off tough decisions will only result in the need to collect more money from taxpayers in future years. And we only need to look to the west to see what can happen when we deny the severity of a problem and fail to make those tough decisions. When I addressed you in September, the Budget Director was projecting a budget gap across all funds of \$111 million. The Budget Review Office put it at slightly less than that. That was before we learned that the contribution to the state pension fund would be another \$25 million, higher than we had projected, and it didn't even consider the strong possibility that the state budget process could result in additional burdens, a state budget process that's supposed to fulfill itself by April 15th, but which has not been doing that for quite sometime. And with the kinds of problems they're faced with, it's unlikely to be concluded early this year as well.

The state is facing massive budget gaps as well as a lot of difficulty in putting that process together. But both the Budget Director and the Budget Review Office are projecting that the gap will be even greater in 2004 unless recurring revenues are built into next year's budget. A budget gap of one -- of between 100 and 140 -- excuse me,

between 140 and \$170 million could mean a general fund property tax increase of more than 100%. That's what the budget staff means when they warn that putting off tough decisions will cost taxpayers even more in the long run. Together we spent much of the 1990s, and some of us were here during that entire process, much of the 1990s putting Suffolk County's financial house in order. And to use terminology favored by the County Treasurer, by 1999, the ship of state was water tight and riding high on the wave of a strong economy. We had cut County general property taxes to less than half of the 1993 levels. The economy was so strong, we felt comfortable in enacting an exemption to eliminate the County portion of the sales tax on clothing and footwear, although many in this room warned that we might not always be able to afford it.

Now, the economy has slowed now. And all counties are being impacted by rising costs that they do not have the ability to control. Instead of providing services, County officials find themselves collecting taxes and passing them along to other levels of government. At the same time, revenue growth has slowed, making the situation nearly impossible to deal with. That's why so many counties are being forced to consider property tax increases of 20 or even 30%. I think you'll agree that we should do everything in our power to prevent that type of increase in either 2003 or 2004.

In Suffolk County, we have the option of restoring revenues for clothing sales to shut down or to at least hold down property taxes. Some may consider this bitter medicine, but our own budget staffs, your's and mine, are warning that using nonrecurring revenues to plug the gap or putting off tough decisions until next year will require that the County collect even more from our taxpayers. Experts across the nation are calling it the budgetary equivalent of a perfect storm. I think we're safe to say that the ship that we worked so hard to make tight has taken a hit from outside forces and is taking on some water. We can deal with it in one or two ways. We can either put on the tough decision to increase revenues and move forward with a budget that allows the ship to continue to take on water or we can take action to seal the ship right now and face the challenges of 2004 in a stronger position. We've got to heed the clear warnings of our budget experts, our budge experts.

Dealing with the problem now will protect taxpayers from paying much higher property taxes in the future. Now, I know that we've all been frustrated by this process and that it hasn't been an easy one. And we're all hopeful that some of the signs we're seeing mean that the economy will gain strength over the coming year, we're hopeful, but even modest growth in the economy, if it should occur, will not keep pace with the project growth in expenses. We need to plug the budget gap with a recurring revenue source and on balance, restoring revenues from clothing sales seems less onerous than a large property tax increase. I think we can take pride in the fact that over the past two years we've worked closely together to protect the County's finances. It's one of those things we're all proud of.

Presiding Officer Tonna, Deputy Presiding Officer Postal and Legislator Crecca in his role as Finance Committee Chair joined me in meetings with the Wall Street rating agencies just in earlier part of

this year. And we indicated that if things got difficult, Suffolk County had two arrows in its quiver; the restoration of sales tax on clothing and the securitization of payments under the global settlement with the tobacco companies. Wall Street has gone out of its way to identify the cooperative working relationship between the Legislature and the County Executive, as a major reason for its confidence in Suffolk County government. And so I'm here today to ask you to reconsider your decision to plug the budget gap with nonrecurring revenues. I've submitted two separate resolutions, which would repeal the exemption on sales tax on clothing under \$110. The first one presented by a Certificate of Necessity would require 12 votes to be adopted. The second would allow reconsideration of the resolution that was defeated on November 7th. This course of action, of course, would require a motion and a second by members of the Legislature, who were on the prevailing side, and then ten votes for passage. And I'm hopeful that after considering the long-term implication and considering them clearly, you'll be able to muster the support to address the need for additional revenues now. Putting off a problem -- putting off this problem until next year will only make it that much more difficult to deal with and expose taxpayers to the risk of significant property tax increases at a time when they can least afford it.

To those in the business community who are concerned about the restoration of revenues from clothing sales, please understand that this is not a recommendation made lightly. But financial experts are warning that the combination of economic conditions that we are seeing at this point is unlike anything that has existed in the last 60 years. In some ways, we're at a crossroads and none of the paths look inviting. Seeing our way through this will require that we make tough

and sometimes unpopular decisions to protect the taxpayers over the long-term. We've done this before, we can do it again. We've made tough decisions, we've made the hard calls, we've restored people's confidence in the ability of this government to handle its finance. I'm just asking you to do it again. It's the right thing. Thank you.

P.O. TONNA:

County Executive, we have a list of people, and I just want to remind Legislators, this is a time to ask questions, only. This is not a time for speeches, this is not a time to give your opinions, it's a time to ask questions. And the list starts with Legislator Postal.

LEG. POSTAL:

Thank you.

P.O. TONNA:

If anybody wants to be on that list.

LEG. BISHOP:

Add me to the list.

LEG. POSTAL:

Bob, you referred to last spring when you and some of us in the Legislature went into Manhattan to meet with the bond rating agencies.

COUNTY EXECUTIVE GAFFNEY:

That's correct.

LEG. POSTAL:

And one of the things that we pointed out, that you pointed out, that we pointed out, I remember saying it myself, was that last year, in our budget process, we were very cognizant of the fact that it was not wise fiscally to rely primarily on sales tax as a form of revenue. And that's what we had been doing. We had increasingly relied on sales tax, and we had relied less and less and less on property tax, and as a matter of fact, the entire general fund property tax had shrunk to really a very small amount. We pointed out to the bond rating agencies, you, we, that we were making a conscious effort to avoid relying on an uncertain revenue-like sales tax and moving toward greater reliance on the more stable property tax. And I'm curious about you're asking us now to return to relying on sales tax by restoring the exempt clothing sales tax and providing that as a revenue in the budget rather than doing what you and we said to the righting agencies we weren't going to do just last spring.

COUNTY EXECUTIVE GAFFNEY:

There's a couple of issues there. First, if you have to rely on

something, property tax would be a more reliable and less cyclical revenue. And then I think sales tax, especially if your not relying on the growth of something, but plugging in a tax that was on and we've taken off. So that's a lot more stable than the reliance of other kinds of increments in sales tax. But all of them, all of these, Maxine, are more reliable than one shots and no property tax increase. I mean, I submitted a budget that had both sales tax and property tax. I didn't see anybody coming over with a, oh, let's not -- no one spoke to me and said, why don't we just leave the sales tax where it is and we'll do -- we'll make up \$15 million in property taxes. If that's what everybody is suggesting we do, that's another story. So when I have to choose between things that are real, things that are unreal, things that are possible and things for which there is no will to do it, I picked -- I pick those that are possible.

Now, it may be that the Legislature doesn't have the will to do this, but I can tell you this, I can't imagine the Legislature having the will to double the property tax, unless I'm wrong. Could I be wrong? I don't think so. So if I have to choose between -- so if we take doubling the property tax off the table and we're left then with increasing the sales tax by removing exemption, okay, or substituting nonrecurring revenues, some of which are speculative, I think increasing the sales tax is the better call.

LEG. POSTAL:

Bob, if I can continue.

P.O. TONNA:

Follow-up question. Question.

LEG. POSTAL:

I'm puzzled by why you're presenting this in an all or none fashion. I don't understand why it's either we restore the exempt clothing sales tax or we raise property taxes by the entire amount that would

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-- we anticipate. I'm not going to say would, might, because we don't even know what the economy is, might be raised by that additional sales tax. Why wouldn't you have found a way to raise the property tax, a more stable tax, as we said we were going to do to the bond rating agencies, and look for other methods of raising additional revenue if your decision was not raise the property tax that much?

COUNTY EXECUTIVE GAFFNEY:

Well, if you recall, my original budget, when I sent it over, called for about a 6.75 increase in property taxes. And it also said, you can't get there with just property taxes, because unless somebody had -- would to double those taxes, and I think that would have such a negative implication from an economic development point of view as

from other a lot of other issues if you doubled Suffolk County's share of the property tax. So we said we're going to accomplish this with a smaller -- but still a tax increase of six point something percent, I mean, that was reasonable I thought, but we still needed to make up the differences. And on top of that, we reduced some of the cost of -- some of the money being paid to contract agencies. So we cut costs, we raised property taxes, and we suggested using the biggest source that we had of real funding from the sales tax. That I think was a reasonable way to approach this. You know, the budget as I've -- the amended budget has a very, very slight increase in property taxes, has no sales taxes, and reduces all of the funding. So there was a budget that reduced property taxes, increased sales taxes and reduced spend. And now what we've got is a budget that increases spending, doesn't reduce the property tax, doesn't do anything with the property tax, and leaves the sales tax off the table entirely, and instead, relies upon one-shots, which even BRO has historically said is a bad thing to do. So here we are going into perhaps one of the worst economic periods this County will be faced with without doing any of the reasonable things. I mean, we're going into the worst period more poorly equipped than we have ever gone into a period like this, and that's the problem for me.

LEG. POSTAL:

My last question, if this is the worst, ten years ago was not too good either. And ten years ago you prepared your first budget.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. POSTAL:

And your first budget proposed a 20% property tax increase. Why wouldn't you, if you felt that that was the answer then --

COUNTY EXECUTIVE GAFFNEY:

Would you vote for it?

LEG. POSTAL:

We found some other ways.

COUNTY EXECUTIVE GAFFNEY:

We found the same way. We found the same way. We increased the sales tax. I was there, you were there, Mike Caracciolo, there were a few of us. But do you remember what we did? On a bi-partisan basis we

got together, we said, we can't do this with just property taxes, we need to have sales tax, and so we did it. All I'm saying is what -- if it's like it was then, on a bi-partisan basis, if you recall, a lot

of people didn't want to vote for a tax increase. So what we did is we found ten people who would. You were among them.

LEG. POSTAL:

We voted for a sales tax increase, if you remember.

COUNTY EXECUTIVE GAFFNEY:

Right. Sales tax increase, which is what I'm suggesting we do here.

LEG. POSTAL:

And we went down a path that was very dangerous I thought.

COUNTY EXECUTIVE GAFFNEY:

Didn't it work? Didn't it work?

LEG. POSTAL:

I'll let someone else ask questions.

P.O. TONNA:

Legislator Crecca, Bishop then Caracappa. Are there any other people who want to be recognized for questions? Put on a list? No?

LEG. CRECCA:

Bob.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. CRECCA:

If in the event that we do -- if we were to vote to repeal the sales tax exemption on clothing, it would increase revenues by approximately \$58 million.

COUNTY EXECUTIVE GAFFNEY:

That's correct.

LEG. CRECCA:

The question really becomes, at this point, if we did just that action alone, that would take the property tax and reduce the property tax warrant by \$58 million, and obviously, that's not -- from what I'm hearing from you today, that's not what you want to take place nor is it what the Legislature wants. So I guess my question for you is what is the plan if we pass or repealing the exemption on sales tax on clothing?

COUNTY EXECUTIVE GAFFNEY:

A lot of things are pretty much the way it was when we submitted the budget in the first place. Two things have happened that are different. We found that there was an increase of about \$29 million, part of it from prior cycles in the sales tax revenues, and we also

learned there's an additional 24 almost \$25 million increase in pension costs. So in best case scenario, there's three \$4 million difference on those issues. Everything else is the same as it was.

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We submitted a budget with a property tax increase, a modest one, but a significant one. We increased a budget that called for a \$58 million increase in sales tax. If we get the 58 -- if every -- if you folks agree, and we get \$58 million, the only difference from this and when we originally submitted it, is the difference between the sales tax of 29 the additional pension of about 25, and both those numbers are somewhat -- at least the 29 is more suspect, because some of it came from prior quarters. So, you know, we're talking about being right back essentially where we could do all the things we needed to do using the revenues we selected. My concern again is that we know the \$58 million is there, BRO has said it, we have said it. That's about the estimate of how much we would get. We also know that there's a \$25 million increase, and everybody I think agrees with that, about a \$25 million increase in pension costs. And we also know that there's 29 million more in property -- in sales tax revenues we didn't anticipate. So that -- this enables us to do all of the things that we had talked about doing, still keeping a modest increase in property taxes, and at least being in a position so that if -- if we -- the country's about to go to war.

LEG. CRECCA:

I understand what you're saying, but --

COUNTY EXECUTIVE GAFFNEY:

I don't see how we can predict a good economy down the road.

P.O. TONNA:

Questions.

LEG. CRECCA:

This is a question. There would have to be some sort of -- in order to stop the property tax from being eliminated, there would have to be some sort of changes. The Omnibus has been adopted, Omnibus number one. Obviously, it's subject to veto today from you on portions of it or the entire thing.

COUNTY EXECUTIVE GAFFNEY:

Or entirely, right.

LEG. CRECCA:

Right. My question for you is you put on a special meeting, you've asked us to reconsider the sales tax exemption on clothing. If we should go ahead and vote for that --

COUNTY EXECUTIVE GAFFNEY:

Right.

LEG. CRECCA:

And Omnibus One stayed in effect, then we would have that reduction in property tax. I guess my question is if we were to reconsider this today and do it, we need some sort of understanding of what your intention would be to do with Omnibus Number One, would you then veto the whole thing? Would you selectively veto it?

COUNTY EXECUTIVE GAFFNEY:

No.

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LEG. CRECCA:

Because otherwise we don't know what we're going on.

P.O. TONNA:

Just to help clarify Legislator Crecca's question, I think what he's talking be is in other words, if you have a \$58.2 million increase in revenue, and you already have a budget, an omnibus that came over with 58.2 increase, I think what he's asking is would you lower then -- in other words, so you don't get an additional \$58.2 dollars. That's what he's asking.

COUNTY EXECUTIVE GAFFNEY:

Without question. I would much rather substitute the \$58 million of hard money, of realistically expected money, for, you know, the forty-nine and change million dollars worth of stuff.

LEG. CRECCA:

That's what I'm asking. What is it you propose?

COUNTY EXECUTIVE GAFFNEY:

We have separate vetoes. In anticipation, Andrew, we prepared a separate list of vetoes depending upon what the outcome of this vote would be.

LEG. CRECCA:

I guess what we're trying to do is get an idea of what those vetoes would be, not so much for if we don't take that action, but if we are take the action you're recommending today, we sort of needs to know what we're voting on. So what's going to come across?

COUNTY EXECUTIVE GAFFNEY:

You're essentially voting to substitute that revenue source for some of the other -- the one-shot revenue sources.

LEG. CRECCA:

We don't know which ones we're going to be replacing then at this point.

COUNTY EXECUTIVE GAFFNEY:

I don't know what's going to happen here today. I mean, we'll work together on it.

P.O. TONNA:

Legislator Bishop then myself then Legislator Foley. Any other questions, Legislator Crecca?

LEG. CRECCA:

I did have one other question.

P.O. TONNA:

Fine. So then you go. Go ahead.

LEG. CRECCA:

On the same vein then, I think we've agreed that when we spoke to the rating agencies too that the budget should be a balanced budget, that we shouldn't --

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COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. CRECCA:

-- budget in surpluses. It's always nice to have a surplus at the end of the year, but that's not really good budgeting to budget in surpluses.

COUNTY EXECUTIVE GAFFNEY:

I couldn't agree with you more.

LEG. CRECCA:

Okay. So if that was to be reconsidered, the sales tax again, we wouldn't have a budget that we would prepare anticipating surpluses.

COUNTY EXECUTIVE GAFFNEY:

Absolutely not. I don't anticipate -- unlike what some people might have said, we didn't prepare this budget with a view toward developing a surplus. I think given the times we're facing, given the circumstances, you know, it's so doubtful that that could ever occur. I mean, we're going to be faced with, I believe, some serious problems, and I think this would go toward at least starting us out in the right direction.

LEG. CRECCA:

One last question, and that is specifically, you've indicated that some of our revenues are one shots.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. CRECCA:

And we acknowledge that. We know that they're one shots, but we believe that they're legitimate real one shot revenues. There's some -- some illusion to the fact that some of them might not be realistic, would you point those out you, the ones you don't believe are realistic now so that we at least --

COUNTY EXECUTIVE GAFFNEY:

Probably the main one -- I mean, some need other things for them to come about. Probably the main one that I would suggest, we really have to think hard about, is the \$14.7 million in mental health aid. That was a statement made by the Governor. There has -- to my knowledge, there's been no -- no bill's been drafted. The Legislative leaders haven't coalesced around that. The Legislature's not going to be in session until January, and I have a feeling that when they go back in in January, that's going to be the least of their concerns, making sure that that money gets distributed to the counties. By various estimates, the New York State budget deficit can be anywhere from nine to \$11 billion. I mean, nobody says it's not going to be a significant budget problem. Now, the logistics of this, having been in the Assembly, I can tell you what's going to happen. They'll go up there and they'll try to get a budget, because this money is not going to be even identified until probably at least within the budget process. If in the best case scenario, that budget process fulfills itself by April 15th, you know, fine. But first it's got to be

supported, it's got to be passed. If the Legislative session in Albany goes late, as it has in the past, and you know, nobody's up against a big election year problem now. So I mean, there's every reason to believe that this budget will follow the pattern of previous state budgets, and we could be hanging out there until September waiting to see whether they're going to do anything about this \$14 million and find that they're not. It's happened. I mean, every one of you can point to something that we thought was going to be in the state budget that wound up not in the budget, and we didn't know about it until late. It really is speculative I think to plug in as a revenue a source of funds that hasn't been identified, that hasn't -- no bill for which has been passed or even introduced to my knowledge at this point.

LEG. CRECCA:

That would be the one you would say primarily is the one that's --

COUNTY EXECUTIVE GAFFNEY:

Yeah, that's the most speculative. Although, you know, the other thing, there's another one for \$2 million from -- you know, that's in the process of negotiation. But that's not dependent upon another government and another place taking action, that's more within our own control. Those are the primary ones.

P.O. TONNA:

Which two million? Which two million?

COUNTY EXECUTIVE GAFFNEY:

The cellular.

LEG. CARPENTER:

Wireless.

COUNTY EXECUTIVE GAFFNEY:

Yeah.

P.O. TONNA:

Okay. Thank you. Legislator Bishop, then Legislator Caracappa, then myself, then Legislator Foley.

LEG. BISHOP:

Thank you, Mr. Presiding Officer, and thank you Mr. County Executive.

COUNTY EXECUTIVE GAFFNEY:

My pleasure.

LEG. BISHOP:

I appreciate you being here this afternoon. The Budget Review Office analysis, which you cite to support your argument, also ultimately concludes that the budget that we're presenting you through the omnibus is a balanced budget. And in the past, as Legislator Crecca's questioning points out, you've criticized it for using speculative revenues. You seem to have abandoned that argument today and are making an argument for reoccurring revenues.

COUNTY EXECUTIVE GAFFNEY:

On the contrary, I just identified \$14.7 million.

LEG. BISHOP:

Well, I have good news for you, because I spoke to assemblyman

Sweeney, and his office assures me that we can count on that 14 and a half million dollars, because we've got for each of the last ten years. And it's really just an accounting question.

P.O. TONNA:

Dave, how did does that come in to a question?

LEG. BISHOP:

Thank you. I was responding to the County Executive. Let me then --

COUNTY EXECUTIVE GAFFNEY:

We have built up a bill for it in the last ten years. We never got this money. Do you want to discuss that?

LEG. BISHOP:

Let me ask you this. Given that the it's balanced -- I can't. Given that the revenues that we're using --

P.O. TONNA:

Can you -- all you have to do ask a question.

LEG. BISHOP:

-- are balanced, isn't your search for reoccurring revenue a search for a surplus?

COUNTY EXECUTIVE GAFFNEY:

Absolutely not.

LEG. BISHOP:

And isn't that surplus at this time when consumer spending is the only working engine in our economy detrimental to our regional economy? Shouldn't we be looking to keep money in the taxpayers' pockets?

COUNTY EXECUTIVE GAFFNEY:

All right. To take the questions in reverse order, is it detrimental since it's a consumer spending thing? No, I think the most detrimental thing to the economy of Suffolk County is to wind up in a position where we -- where we have an unbalanced situation, where we haven't controlled our finances, where we come into next year with a large -- my turn. Where we have a large -- you know, where we have a large deficit that has become so large, because it's not going to be covered by reoccurring -- non reoccurring sources in 2004, that there's even less will to deal with. Please, let me finish.

LEG. BISHOP:

Next year's budget is unbalanced, you're saying?

COUNTY EXECUTIVE GAFFNEY:

No. I'm saying we're liable to wind up in a situation in 2004 where we have --

LEG. BISHOP:
2004 you're arguing?

COUNTY EXECUTIVE GAFFNEY:
We'll come to the end of 2003 with a deficit, then we're doing a 2004 budget -- follow me now, 2004 budget in which all of the things that were a problem in 2003 recur because there was only -- there's a non recover --

LEG. BISHOP:
So the concern is 2004.

COUNTY EXECUTIVE GAFFNEY:
Let me finish.

P.O. TONNA:
Dave, let him, then you get a chance. Please let him finish.

COUNTY EXECUTIVE GAFFNEY:
Fair is fair, Dave.

LEG. BISHOP:
Yes. Absolutely. And you interrupted me several times.

COUNTY EXECUTIVE GAFFNEY:
So now, what we're saying is that if there's no will to deal with this kind of a problem now, how likely would it be there would be a will to deal with it later on? So -- and that's pretty much the pattern that our neighbor to the west had followed. You let it build up to the point where you can't deal with it. That was the last question. Now, there were two questions before that. Now I'm having trouble recalling what the one before was. Can you repeat that for me?

LEG. BISHOP:
I got my answer. I think what I'm hearing is that this is really about 2004.

COUNTY EXECUTIVE GAFFNEY:
Dave, no, it's not. It's about 2003.

LEG. BISHOP:
What is the quantifiable amount of deficit that you think we'll present you in 2003?

COUNTY EXECUTIVE GAFFNEY:
I think it will be -- it will probably be somewhere in the area of 50

to 70 million dollars depending upon -- depending upon what additional problems we receive from Albany and from other places. Bear in mind, if we anticipate, and I think it's reasonable to do this, to anticipate that the state is going to have a serious problem and as is there want from time to time they pass that on in the form of mandates and shedding of costs down to county governments. That's why we got to where we are this year. Now, if they continue to do that, and I don't see any reason why they would want to stop that given the size of the proposed deficit in Albany, then they're going to layoff more and more expenses. It's not hard for them to do. At which point,

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we'll be faced to deal with that big problem, plus going into the following year with problems that were not really resolved this year. It's a formula for disaster. Now, I am not looking to build up a surpluses. Surpluses don't work for me. We develop a surplus, it goes right back -- and further reduces the property tax level. A surplus is generally a product. And you look at all the surpluses that we've developed, I know you've done this, a surplus is generally the product of a good economic year where sales tax receipts -- where they exceed the amount budgeted. You know, we have a good year, better than we thought. Nobody believes that next year is going to be better than we've projected.

LEG. BISHOP:

I want to get out of this, but you keep -- \$14 million is the all you could cite as speculative. Otherwise, it's balanced, but you're anticipating the state lopping on \$40 million a problem.

COUNTY EXECUTIVE GAFFNEY:

I'm not saying it's unbalanced at all, I'm saying it's a balanced budget, even if it's all speculative.

LEG. BISHOP:

It's balanced.

COUNTY EXECUTIVE GAFFNEY:

I'm just saying, but what your balancing it with --

LEG. BISHOP:

Is speculative.

COUNTY EXECUTIVE GAFFNEY:

Are not secure --

LEG. BISHOP:

Only 14 million, right?

COUNTY EXECUTIVE GAFFNEY:

BRO has themselves said, you know, the County has proposed -- relying on one shots to fill a revenue gap will only cause more severe problems in 2004 as mandated costs continue to rise out of the County's control. And he puts -- they even put a quote, you cannot escape the responsibility of tomorrow by evading it today, and they quoted Abraham Lincoln. I'm only suggesting that we --

LEG. BISHOP:
2004.

COUNTY EXECUTIVE GAFFNEY:

When we do our budgeting, David, it's not just for this year, it's for next year. And in fact, when BRO looks at these things and when my Budget Office looks at it, we're looking at the economic health and the future of the County.

LEG. BISHOP:

Absolutely. And that's why I agreed with you when you say we should reject short term actions that cause taxpayers much more in the long

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term. And then I wondered, gee, why did the County Executive choose to zero out the 5-25-5 Program, which was cited by the very rating agencies that you feel to call our attention to today as an example of Suffolk County's forward thinking and thinking in terms of the long-term? That's a law passed by this Legislature, which says that you shouldn't pay for -- with borrowed money what is properly bought with operating budgets.

COUNTY EXECUTIVE GAFFNEY:

But it's okay to do it in the budget process?

LEG. BISHOP:

No. Mr. County Executive, with all due respect, you zeroed it out.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. BISHOP:

Zero. Now, can you justify that if you're looking in the long term?

COUNTY EXECUTIVE GAFFNEY:

We can do the capital improvements that we need to do in a reasonable way with bonding under those circumstances. We're looking down -- we're looking down the road at a difficult, difficult time. I mean, it's far more significant for the future of this County, both economically and in its ability to delivery vital services that we

retain our economic and our fiscal stability. That's the most important thing. Now, you know --

LEG. BISHOP:
And I agree.

COUNTY EXECUTIVE GAFFNEY:
I came here today to suggest to you a way that would accomplish that.

LEG. BISHOP:
Finally, I know that the linchpin of the fiscal program that you've brought over to us is the Early Retirement Program. And I know that in March, when you came before us with the State of the County, you said that tough times were on the horizon, but between March and July, according to the Budget Review Office, 250 jobs were added to the payroll. Then with early retirement, you ushered out, and it was non targeted, which was problematic, 637 people. Now, if I'm hearing your staff that's come over correctly, you're going to add 264 positions next year, and I understand that you've signed close to 100 SCIN forms already this year. Given the \$5 million retirement costs, it's my understanding that those -- that set of actions would yield zero savings over a two year period.

COUNTY EXECUTIVE GAFFNEY:
That's not correct. You're not hearing me correctly. What we did was to take 636 people who retired under the Early Retirement Program. I think everybody agrees that many people filed for early retirement. We abolished seven hundred -- 373 positions, just took them out. They'll never be filled, nothing will ever happen with them. The remainder of those, we filled with primarily lower paid positions or

plan to do that so that we can basically continue the operation of government albeit with a total of 373 people less than we started with, and some of those won't be filled with either. So I mean, for us the way we calculated it, it's about an \$18 million saving. You start with 636, you eliminate 373, the difference is how many jobs we've reduced.

LEG. BISHOP:
Yeah, unfortunately the Budget Review Office calculations when you look at it the way that I am over a two year period and you factor in the cost -- the additional burden of a retirement incentive --

COUNTY EXECUTIVE GAFFNEY:
I thought we weren't looking at a two year period.

LEG. BISHOP:

It comes out to a negligible savings. What?

COUNTY EXECUTIVE GAFFNEY:

I though we weren't looking into to 2004. Only when it works.

LEG. BISHOP:

Well, apparently. It's a perfect storm --

COUNTY EXECUTIVE GAFFNEY:

There you go.

LEG. BISHOP:

It's a perfect storm in March. Then we add people, then it's a perfect storm in September, then we're not around for negotiation, then we call for a special meeting, it's canceled and then you come back --

P.O. TONNA:

Where's the question? Where's the question?

LEG. BISHOP:

Well, I just wanted to point out that it seems to be --

P.O. TONNA:

No. Where's the question?

LEG. BISHOP:

A convenience argument that runs both ways.

COUNTY EXECUTIVE GAFFNEY:

Your criticism is noted. Your criticism is noted.

P.O. TONNA:

Thank you. Legislator Caracappa.

COUNTY EXECUTIVE GAFFNEY:

It's uncalled for, but it's noted nevertheless.

LEG. BISHOP:

Now I'm done.

P.O. TONNA:

Legislator Caracappa, then myself, then Legislator Foley.

LEG. CARACAPPA:

Mr. Chairman, Bob, thank you for coming down today. By doing so, you have opened yourself up for question and answer --

COUNTY EXECUTIVE GAFFNEY:

Absolutely.

LEG. CARACAPPA:

Which you didn't have to do. I for one, I appreciate it. Two simple questions from my end. Out of all the counties, excluding Suffolk County, that have opted into sales tax exemption on clothing and footwear throughout the state, for '03, how many of them have repealed that for '03 in their most recent budget deliberations?

COUNTY EXECUTIVE GAFFNEY:

Well, December 7th I think or early December is the last time, so it's hard to know exactly all of them, but I know Rockland has it on the table. I would have ask --

MR. BORTZFIELD:

One has done it already.

COUNTY EXECUTIVE GAFFNEY:

One has done it already, and Rockland is I think in the process of doing it.

LEG. CARACAPPA:

Out of I believe it's ten or 12 counties state-wide that have the exemption.

LEG. CARACCILOLO:

Fourteen.

LEG. CARACAPPA:

Fourteen. Thank you, Legislator Caracciolo.

COUNTY EXECUTIVE GAFFNEY:

If you look at the numbers I had read out earlier, those who haven't are doing 30%, you know, 35% increases in property taxes. And you know, the money, it's either property taxes or sales tax.

LEG. CARACAPPA:

I'm just trying to paint a picture as to the state-wide problem.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. CARACAPPA:

County Executive. And second, I think this is very important for the people of Suffolk County and for Suffolk County Legislators to understand, and I'd ask you, I don't know if you could answer this, but I will ask you anyway, the state portion of sales tax on clothing and footwear, you mentioned the state's massive problem as they go

back into session in January, what is your feeling or understanding that they will put their portion back on sales tax on both clothing and footwear in the upcoming year?

COUNTY EXECUTIVE GAFFNEY:

I don't -- I can't answer that with a great deal of certainty. It seems to me that's the kind of thing they might want to be doing right away. What I don't know is how long it would take them to do it. It might come later in the year. There are so many variables, Joe, that it's hard to predict that. I have heard from individuals that that's going to be something that's on their agenda when they go back. The time frame for it, it's hard to specify. But you know, as difficult as the situation is for counties, it's just as difficult for the state at this point, and they're going to be looking to things to solve their problem. And you know, that may be one, but there may be a lot of other things that we're not aware of now, which may become, you know, very much aware of that happens in the next several months as the state tries to deal with its problem. I just -- short answer, I don't know.

LEG. CARACAPPA:

Okay.

P.O. TONNA:

Okay. Bob, I have just a few -- two questions, and maybe to start it off, through the budget deliberations and when you sent over the budget to the Legislature, as you know, Legislators get together, I think, we logged probably I think it was about 5,000 hours when you add 3,000 of it being Budget Review, but about 5,000 hours of public hearings, meetings, Legislators getting together, I'm sure that the different political party's caucuses got together or whatever else. The two themes that I heard over and over again, and I'd like you to comment on them, one was with regard to the budget that came over about the whole issue of reorganizing. If we knew that there was going to be a tough time, some Legislators expressed both privately and I think publicly the whole issue of was there a dynamic process of reorganizing county government? Was there a way of looking at it from a different view of saying how do we make it leaner and meaner as we go ahead? Because we know that, you know, we're going to have tough budget times. The second question that was raised in meetings with individual Legislators from time to time was the issue with regard to the cuts, the cuts in health, the cuts in Social Services, contract agencies, things like that, and basically, Legislators were saying are we getting a budget that comes over that they know that there's, you know, we're on record over years of time of saying, hey, health centers are priority, these things are priority, are Legislators,

individual Legislators, being set up to vote for a budget that now not only is going to get a sales tax on clothing, but also a large property tax increase because we have to reinstate revenue into programs that quite honestly many Legislators feel is the hallmark of what County services are about for the needy for the poor, so I'd like you to comment maybe on both those things, the issue of reorganizing budget and the second one with regard to anticipating cuts.

COUNTY EXECUTIVE GAFFNEY:

In the order they're asked. Reorganizing to create a leaner and

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meaner County government. You know, I suggest to you that when you eliminate 373 jobs out of County government and choose which ones are coming -- and of the remaining 300 and some odd choose which ones are coming back and in what order and where they're going, you are in effect reorganizing. The process has to be reorganized when there's that many cuts. When you're facing the kinds of potential problems the reorganization takes place.

Now, we've have -- we've had 11 years with basically the same structure. I don't find that the structure is not -- is not adequate for the purposes to be accomplished. But within each particular agency, within each particular department of County government, there is a -- there is a dynamic process that goes on on a regular basis. It's not something you wait 11 years and turn around and say, gee, maybe we should change the process. It's being done on a regular basis. To make it leaner and meaner? The problem is not -- believe me, Suffolk County Government with 370 some odd people taken out it is leaner and meaner. It's certainly a lot meaner, and without question, it's leaner. So that's a process that's ongoing.

In answer to your second question, the cuts from primarily -- the cuts from the contract agencies, the total amount of cuts from contract agencies was six million dollars. Six million dollars is a lot of money. But we lost, within the departments who administer all of these things, we lost more than that in the Department of Social Services and every other department that administers the programs carried out in part by those contract agencies. There was a feeling I think that everybody should share this. If we're not going to have as many County employees as we might have liked to have administering these things, you know, how unfair would it be to the County work force to say, we're cutting your numbers down, but we're not touching contract agencies? These are hard decisions to make. You know, I don't doubt it. Nobody likes to do these kinds of things.

But within this structure it would have been possible to amend the existing budget to restore that and do other things. What we -- what

I felt, you know, was perhaps trying to choose a word that's not inflammatory, what I thought was probably could have been done better was not to take -- to put the money back in and, in fact, increase it, but use revenues that are not likely or not sure to be there to do it. With our proposal, at least we knew the 58 million dollars would be there to do what had to be done. These are hard calls. I mean, I have to tell you, the hardest part about being a County Executive is that you have to choose between dozens and dozens, hundreds of all really good things and say, you know, we're going to do the best we can and keep your eye on the ball, which is to say if you don't produce a county that's economically sound and viable, then it can't be anything to anybody ever. I think one only has to look at how social service agencies and vendors fare to Nassau when the bottom falls out, we just don't want that to happen.

P.O. TONNA:

Just a follow-up and then Legislator Foley. Just, we had during our budget process and during our hearings and everything else where joint meetings, joint committee hearings, with regard to different groups, a number of your Commissioners came and testified that they need more

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positions.

COUNTY EXECUTIVE GAFFNEY:

Yes.

P.O. TONNA:

-- then was allotted in the budget, in the County Executive's budget, your budget. And I think that that was part of the dynamic to say, you know, here we are, the County Executive proposes a budget, and departments are saying, we need more.

COUNTY EXECUTIVE GAFFNEY:

Yes, no question.

P.O. TONNA:

Can you just respond to that.

COUNTY EXECUTIVE GAFFNEY:

Absolutely.

P.O. TONNA:

And tell us a little about it.

COUNTY EXECUTIVE GAFFNEY:

I don't think I'd want to appoint, especially in certain areas, Social Services, Health, I don't think I'd want to appoint a Commissioner who

would not be trying to do everything they possibly could to expand the resources to do the things that are important to do. I mean, but they're not the ones who have to take the priority between police and health, between taxes, and Social Services. I have to do that. We have to do that. So, I -- I've never sat down with a Commissioner and said, hey, pull your request or -- I mean, we give basic guidelines, but almost by definition, people's job it is to help other people will never have all the money they would like to do it. Who of us would have all the money? Someone has to say, you know, it's a balancing act. You know, that's the toughest part about being County Executive. You know, you have to balance many good things against each other, because you can't do everything all the time for everybody. So in that process you make some tough calls, this is one of them.

P.O. TONNA:

And I think that's the same thing that the Legislature is faced with.

COUNTY EXECUTIVE GAFFNEY:

Absolutely.

P.O. TONNA:

Okay. Legislator Foley and then on our list is Legislator Foley, Caracciolo, Haley and Fields.

LEG. FOLEY:

Thank you, Mr. Chairman. And it's good to see you, Executive Gaffney, here before us in the tradition of other Executives going back to John Klein who from time to time would come before us to engage us in discussion and debate about the most important issues facing the

County. So I welcome your presence here today.

COUNTY EXECUTIVE GAFFNEY:

My pleasure.

LEG. FOLEY:

Along the lines to seeking a response to an observation that others have made, some observations that you've responded to, I'd like to have your response to the following suspicion that some of us had during this whole process. And it's one that was -- has not been mentioned before in public, but it's one that's been shared on a bipartisan basis when we've been discussing these things in different venues. And that is one of the concerns that we had and the suspicion that I have is the fact that the reason that you are cutting the contract agencies by over \$6 million, you were essentially using the contract agencies as a hammer, as the hammer, to get us to agree to

increase the sales tax by \$58 million. I'd like to have your response to that.

COUNTY EXECUTIVE GAFFNEY:
Oh, absolutely. Untrue.

LEG. FOLEY:
And why is it untrue?

COUNTY EXECUTIVE GAFFNEY:
Because it's not.

LEG. FOLEY:
But normally when you say something is untrue you give an explanation as to why it's untrue.

COUNTY EXECUTIVE GAFFNEY:
It's not true, because it's not what I did, it's not what was in my mind. It wasn't what my plan was. I mean, how much -- it's just not. I mean, I did not use those reductions to -- I mean, you know, to try to hammer contract agencies.

LEG. FOLEY:
Not to hammer them, to hammer us in order to agree that in return for funding the contract agencies, you would in turn would receive a \$58 million increase in sales tax.

COUNTY EXECUTIVE GAFFNEY:
I think that question's capable of being answered with a no, without describing anything more. It's just not true.

LEG. FOLEY:
All right. Just one other follow-up, Mr. Chairman, if I may. It's my understanding, and I'm ready to be corrected on this, it's my understanding that as of January 1, there'll be close to 500 vacant positions that you could fill right away as of January 1.

COUNTY EXECUTIVE GAFFNEY:
No. Three hundred and seventy three positions.

LEG. FOLEY:
Notwithstanding the plan to have turnover savings of six and a half million. We've been told it's close to five hundred. My question is this --

COUNTY EXECUTIVE GAFFNEY:
Increases -- increases in turnover savings in the Department of Social

Services.

LEG. FOLEY:

Will you be informing us on a regular basis, I would say even on a biweekly basis, no more -- no less than a monthly basis, on what your hiring plans will be come the beginning of the year for the Year '03? How many do you intend to hire in this particular department? How many do you intend to hire in that particular department? So we can make judgments as the year goes on as you will be making judgments as the year goes on on what may be some budgetary problems and how you're going to reflect that in your hiring patterns. The concern is this: If you can hire three to four or 500 next year starting January 1, what we need to know in order for us to fulfil our oversights --

COUNTY EXECUTIVE GAFFNEY:

What I'm suggesting to you, Brian, is we don't have that many vacancies.

LEG. FOLEY:

-- is how you're going to fill those position on monthly or biweekly basis. Can you keep us --

COUNTY EXECUTIVE GAFFNEY:

We'll share that information as we always have with the Budget Review Office in that process.

LEG. FOLEY:

Thank you, Mr. Chairman.

P.O. TONNA:

Thank you. Legislator Caracciolo.

LEG. CARACCILOLO:

Thank you. Nice to see you, Bob.

COUNTY EXECUTIVE GAFFNEY:

Pleasure.

LEG. CARACCILOLO:

And in the tradition of the British Parliament, I might add.

COUNTY EXECUTIVE GAFFNEY:

The last County Executive, I think, that used to come over here was John Klein, and my recollection, I might be wrong, was that he was thrown out. He was told not to come back, and he moved his thing out of here. Now, this is a much -- I'm not suggesting that anybody here would reach that level, but I'm very pleased to be here.

P.O. TONNA:

If they did, there'd be a lot more media coverage. Did you ever see the South Korean Parliament? Anyway.

LEG. CARACCILOLO:

Well, again, getting back to the British Parliament and the tradition there, as you know, the Prime Minister attends Parliament, and I think it would probably be a positive thing if periodically you did what you're doing today. And I say that because I think then we could all share in the exchange of information, ideas, and hopefully some progress.

As we all know, the County of Suffolk is not the only municipality in this state, or for that matter, in this nation that is feeling financial stress. It's across the board. There are a variety of reasons for it. And it has to be dealt with. Now, it's interesting when I observe our counterparts to the west, and I love the reference to Suffolk County does not want to become "Gullotaesque."

P.O. TONNA:

Question. Question.

LEG. CARACCILOLO:

Well, you made a statement. I'm leading --

COUNTY EXECUTIVE GAFFNEY:

I'm not familiar with that reference.

P.O. TONNA:

Just as long as it's getting there.

COUNTY EXECUTIVE GAFFNEY:

I'm not familiar with that one.

LEG. CARACCILOLO:

I would take, and I think everyone here should be insulted by that reference, because there is no parallel between what you and this Legislature has accomplished over the last ten years in keeping this County financially sound.

COUNTY EXECUTIVE GAFFNEY:

I would agree.

LEG. CARACCILOLO:

While their bond rating was going down, our's was going up. While they and particularly the former County Executive refused to provide revenue enhancements, i.e., property tax increases when they were necessary for large labor contracts and other increases in County government spending as well as unfunded state mandates, we did what we

had to do.

COUNTY EXECUTIVE GAFFNEY:
I would agree.

P.O. TONNA:
So therefore?

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LEG. CARACCILOLO:
So therefore --

LEG. FIELDS:
A question.

LEG. CARACCILOLO:
When we look at the City of New York and Mayor Bloomberg, we see a city that is in much deeper financial stress than we could ever imagine, over a \$5 billion budget deficit projected for next year. And as someone from his political party, as you are, I've been very impressed at his approach to dealing with that that began back when he immediately took office by cutting across the board departmental expenditures; 15% across the board in January, another 7 1/2% last month, and now he's gone to the extreme of actually proposing to close firehouses and reduce the Police Department by 1900 patrol officers.

P.O. TONNA:
So therefore?

LEG. CARACCILOLO:
Now, those are very dramatic actions to take to close a \$5 billion budget deficit. But yet, I have not heard him speak once about repealing the sales tax on clothing, because like the 14 other municipalities in this state, the city is one of those locales that has instituted the sales tax repeal.

COUNTY EXECUTIVE GAFFNEY:
If I could just comment on that.

P.O. TONNA:
Just ask the question so he can comment. You have to ask the question.

LEG. CARACCILOLO:
My question is why is it so important to repeal that sales tax?

COUNTY EXECUTIVE GAFFNEY:
Okay. First of all, with regard to Mayor Bloomberg, I don't know why

Mayor Bloomberg hasn't suggested the repeal of the exemption -- but it's not like he's not been doing anything. I mean, he just suggested increasing the commuter tax, which would have produced probably more money than that would or at the level he's suggesting it. So he's doing something to raise taxes, why he hasn't singled out that one yet, I don't know, maybe he's waiting for something else. I can't speak for Mayor Bloomberg. But I can speak for me, and I can speak for this administration, and we recognize that there are economic and financial problems down the road that we need to address now.

We have reduced -- I mean, we've eliminated 373 jobs, we've reduced contract agencies' funding by 10%, which has created, you know, difficulty for some and for others it doesn't make that much difference. He has -- he has just taken -- he has taken the helm of the ship of New York City, so he's making changes that perhaps haven't been changed before. I've been here for 11 years, for good or for worse, I mean, whatever happens, I own it. We have been making those

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kinds of changes. In my view, the only way that we could really resolve these kinds of potential problems, and I shouldn't even say potential, because, I mean, nobody thinks this economy is going to be doing great things to Suffolk County in the months to come. The only way we can reasonably address those things, Mike, is to do a balanced combination of reasonable cuts, reasonable increases in revenue, and try to resolve it with a balanced -- within the reductions we make in County Government.

I suggest to you that what I did was a reasonable effort. Not everybody's going to agree. Have we ever seen a budget that everybody said, Bob, it's your's, you got it? It's never happened, it's never going to happen. What we hope, however, is that what does come out of this process is something that's real, that's viable and that will not contribute negatively to the economic future of our County.

LEG. CARACCILO:

Well, I think last year's budget or this year's 2002 budget, was handled in a manner where you and a group of partners on both sides of the aisle were successful in adopting a budget that resulted in an increase to the home energy tax, an increase in the sales tax, an increase in property taxes, all recurring revenues. And from my perspective, and I've yet to witness --

COUNTY EXECUTIVE GAFFNEY:

And I came before the Legislature and asked them to do that and thanked everybody publicly for doing it.

P.O. TONNA:

Just the question, Mike, because --

LEG. CARACCILOLO:

The question is contract agency cuts are a drop in the bucket.

LEG. GULDI:

Six million dollars.

LEG. CARACCILOLO:

Six million dollars in a \$2.2 billion county budget. When you look at the replacement of personnel left through early retirement, now I for one, when that measure came before the Legislature --

P.O. TONNA:

You've got to ask a question.

LEG. CARACCILOLO:

I'm going to ask a question.

P.O. TONNA:

I know, but, Michael, there are other people who want to go, and we're going to have a chance --

LEG. CARACCILOLO:

We have to get things in context, Mr. Chairman.

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P.O. TONNA:

All right. Just try as best you can, Michael.

LEG. CARACCILOLO:

I for one believed that we would be very successful to a high degree in producing high turnover savings as a result of the Levy Law, which stipulates you can only backfill one employee for every five that leave service. I was astonished during this budget process, when I made inquiry of the Budget Review Office to find out that out of the 635 who took advantage of early retirement, no small number, but we still have a work force of over 11,000 employees, that it was done in a way that after it was done, there was a lot of complaints by department heads, and we heard it here in committees, about we're losing valuable employees. Was there any thought given to not just rubber stamping and supporting an early retirement incentive plan, but doing it in a way that was targeted and that we allowed those who we could spare to leave county government and take advantage of a generous program?

COUNTY EXECUTIVE GAFFNEY:

Well, to get to the first part of the question. You know, the

reinstatement of sales tax on clothing was intended to produce \$58.2 million; early retirement savings; 17.8 net million dollars; contract agency reductions at 10%, \$6 million; tobacco appropriations, \$2 million; you know, \$27 million in the -- in a property tax increase. The combination of all of those things produced -- produced \$111.5 million, which coincidentally concurs with what we projected as \$111 million problem starting with a \$24.5 million increase in Medicaid, other social services, retirement system. But don't lose sight of the fact that the vast majority of what we do, virtually -- most of our Social Services Departments, all of the things we do, about 80 something percent of that stuff is mandated by other levels of government, so we can't just go in. I mean, to try to make cuts in non-mandated functions to cover percentages generated by the entire process is impossible to make at this point. You know --

P.O. TONNA:

Just to stop for a second. Just, at this moment, we're going to have to extend the public portion.

LEG. CARACCILOLO:

Motion.

LEG. CARPENTER:

Second.

P.O. TONNA:

Okay. There's a motion, seconded. We'll extend the public portion for what, 40 minutes? Until two o'clock -- I mean, three o'clock. Okay.

LEG. HALEY:

Until?

P.O. TONNA:

Okay. Motion by Legislator Caracciolo, seconded by Legislator Alden.

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All in favor? Opposed? Okay. Go right ahead. No, no. Let County Executive finish, please. Sorry.

COUNTY EXECUTIVE GAFFNEY:

Again, just to finish my remarks, it's that, you know, who should we layoff? Who should we cut? What services don't you want to be provided to the people of Suffolk County? Should it be police? Should it be Health Department? Is it the most vulnerable? The least vulnerable? This is part of the balancing process. And the fact is, you know, we're doing the best we can given the resources we have and faced with the fact that most of the things that we do as County

Government we're doing on behalf of other levels of government who mandate them upon us, and we have no choice but to do them. So where do you lay those people off? Where do you take the people from? You know, it's a complex process of maintaining the balance between doing as good for as many as you can, and at the same time, not killing the goose that lays the golden eggs, which is actually the process by which we're able to do all this.

We're not looking to penalize any segment of society, but somebody has to be the one who says, we can do this, we can't do that. Now, you know, Mike, you may think that your better, you know -- and you know, that's okay. But the fact is, you know, no one came forward to say, let's take this out of that and that out of that. You know, we're doing what we can with the resources provided.

LEG. CARACCILOLO:

Well, I know I sponsored over 20 amendments to cut County spending, but having said that, as far as --

P.O. TONNA:

One more question.

LEG. CARACCILOLO:

-- early retirement. No. I have several more questions. The Early Retirement Incentive Program, the calculations you cited, the \$111 million that would have met the projected budgetary shortfall when the budget was presented, that number, are we going to realize -- the question is are we going to realize the 17 plus million dollars in turnover savings as a result of the Early Retirement Incentive Program or something less?

COUNTY EXECUTIVE GAFFNEY:

No, I think we're going to realize at least that much. Maybe more. It depends on which budget -- form of the budget is adopted. There was an increase in the omnibus that was adopted of turnover savings in Department of Social Services so.

LEG. CARACCILOLO:

So you don't intend to veto those?

COUNTY EXECUTIVE GAFFNEY:

We're going to take a look. I don't know what's going to happen here today. You know, we're going to look at those.

LEG. CARACCILOLO:

I think from my perspective, that has to be the cornerstone of any plan, so that if elected officials are you going to go to the public

and say, you know what, you have to dig a little deeper. And let's put this whole issue of property taxes in the county in perspective, because as you and I and my colleagues have discussed many times, George Guldi and I represent -- Legislator Guldi and I represent the East End, and on the East End, we have seen not a small decrease, we have seen a precipitous decrease in County general fund taxes over the last decade of over 70%. And everyone here deserves credit for that, the good economy of the '90s deserves credit for that. It's not that we had some magic wand and did some magic here. I mean, we were able to take advantage of circumstances. But that said, from my perspective, and I shared this with you in a telephone conversation last week, if the public is going to be requested to dig deeper, then I think we have to demonstrate that across the board those areas of government that we can control expense, we have to exert leadership and demonstrate that we are willing to make sacrifices.

P.O. TONNA:

Michael, just one second. Everybody wants to say something. I've asked other Legislators to hold to just questions. There are some Legislators who would have like to have followed up with their views. I just ask that we have the County Executive here for a limited amount of time.

LEG. CARACCILOLO:

Thank you. Just questions. The reimbursement -- Bob, the reimbursement of the County Police Highway Patrol on the LIE, that's not a new issue, it's been around. You and I went up and spoke with the superintendent of state police about it in 1994, Superintendent Constantine, and I really believe that if we take advantage and lobby collectively the state government, we can see some relief from the state on that. And I would encourage us to do that this coming year.

P.O. TONNA:

What is the question then?

LEG. CARACCILOLO:

Well, that's a \$10 million expense.

P.O. TONNA:

No. What's the question, Mike?

LEG. CARACCILOLO:

The question is will you make a commitment to do that?

COUNTY EXECUTIVE GAFFNEY:

Absolutely. I've done that ever year for the last ten years.

P.O. TONNA:

To get the money for the LIE, is that what the question was?

LEG. CARACCILOLO:

To get the money for the LIE, correct.

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P.O. TONNA:

All right. What other question?

LEG. CARACCILOLO:

Well, we got to the SCIN forms. Let's see. Well, state mandates, you know, the projections on state mandates vis-a-vis Medicaid expenses, Medicaid is not a new program. We've seen increases in Medicaid, we've seen decreases in Medicaid.

P.O. TONNA:

What is the question. I know I'm being -- I'm hassling you because I just -- I have a whole list of questions -- of people who want to ask questions. You're going to have time to speak, and I'm not going to cut you off when it's your turn to speak. Okay. Legislator Haley.

LEG. CARACCILOLO:

Thank you.

P.O. TONNA:

Okay. Thank you, Legislator Caracciolo. Legislator Haley.

LEG. HALEY:

Two quick questions. Have you had any reaction official or unofficial from the rating agencies? And have you thought about or do you have an idea what the cost might be should the rating agencies react negatively towards our one shot revenues? And I have no editorializing to do, so I apologize.

COUNTY EXECUTIVE GAFFNEY:

I have no more direct contact with the rating agencies. I understand that they contacted the County's Budget Director to find out, you know, what's happening, what are they doing, you know, where we're at. We have had no -- at least I have had no -- Bob, is there any positive or negative comment? They're looking at this point. I mean, they haven't said anything to my knowledge. We don't have -- I don't believe we have an issue that's going to be, you know, bonds that are going to be issued. I think we have TANS, Tax Anticipation Notes, that will be coming up in December. That would be the first time they would have an opportunity to rate. They don't rate speculatively. That would be the first time they would probably be commenting on it. I mean, what they did express to some people is they're curious as to how all the other counties have these problems and Suffolk is able to solve it without raising taxes or, you know, producing costs. A valid question.

P.O. TONNA:

Okay. Legislator Haley, you have another question, right?

LEG. HALEY:

No, that's fine.

P.O. TONNA:

That was it? Thank you so much. Legislator Fields, then Lindsay, Fisher, Carpenter.

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LEG. FIELDS:

One of the answers that you gave I thought wasn't that clear.

COUNTY EXECUTIVE GAFFNEY:

Okay.

LEG. FIELDS:

Did you ever consider targeting early retirement -- or why didn't you target early retirement?

P.O. TONNA:

You mean -- you mean in other words, instead of across the board?

LEG. FIELDS:

Right.

P.O. TONNA:

A targeted plan.

LEG. FIELDS:

Right.

COUNTY EXECUTIVE GAFFNEY:

We felt that it would be more appropriate to have a maximum number of people to take advantage of this plan, given the fact that we would be able to replace more senior people with more junior people that we would have some built in savings in the process, and we felt that this year among all those in the past was a year we would really like to have those savings.

LEG. FIELDS:

Did you know how many were going to go out on early retirement?

COUNTY EXECUTIVE GAFFNEY:

We had a fairly good idea. I think we, like most counties, thought it would be fewer than that. But we expected, my recollection was --

you know, we're going back away -- my recollection was that we expected it to be in the area of 500 or so.

LEG. FIELDS:

And another answer that you gave that I'm not clear on, did you or any one of your employees from the County Executive's Office actually reach out to contact the rating agencies?

COUNTY EXECUTIVE GAFFNEY:

No. No. I didn't and nobody from our office has reached out to them.

LEG. FIELDS:

So in other words, the contact that you had with the rating agencies --

COUNTY EXECUTIVE GAFFNEY:

They called us.

LEG. FIELDS:

-- to your budget director was that they called you.

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COUNTY EXECUTIVE GAFFNEY:

Right. And we can't call them, you know. They called us, and we have to answer them. You know, I was sufficiently concerned about the new budget when it came out that I'm not so sure I would want to reach out to them and say, hey, look what we've done, downgrade us. You know, I'm not going to do that, but I have to answer their questions when they call.

LEG. FIELDS:

Thank you.

P.O. TONNA:

Okay. Thank you very much. Legislator Lindsay.

LEG. LINDSAY:

Yeah. Bob, thank you for coming over, I appreciate you coming over and having this dialogue and this exchange with us. Your prepared remarks, though, you said a couple of things that were a little bit disturbing to me.

COUNTY EXECUTIVE GAFFNEY:

Okay.

LEG. LINDSAY:

Last year you asked for us to securitize the tobacco settlement money. Isn't that a one shot deal?

COUNTY EXECUTIVE GAFFNEY:

No. It depends on how you do it. It's not a one shot. If you do it in a way that your defeating bonds, and that the savings are all realized over a long period of time, it becomes a multiple year. One shot is a nonrecurring revenue source, so you get it this year and you don't get it beyond. Now, there's no such thing as a two shot or a three shot, but as something moves from just one recurring -- from recurring in one year to several others, it becomes more, I think, acceptable as a legitimate means of solving the problem. So we never anticipated that would be a one shot, and indeed, it wasn't scheduled or planned to be a one shot.

LEG. LINDSAY:

See, I was always under the impression it was a one shot, because you're asking us to take revenue into the future, bond it out and take it now.

COUNTY EXECUTIVE GAFFNEY:

Yeah, but depending upon what the pay out would be. If you were to pay it out over 20 years, for argument's sake, you would hardly call that a one shot. If you are paying it over ten, you get down -- at one point does it become a one shot? It becomes a one shot when you take it all in one year.

LEG. LINDSAY:

I think -- yeah, I guess it's a bit of semantics on --

COUNTY EXECUTIVE GAFFNEY:

Well, we do this -- I mean, there a lot of things. Whenever we issue

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bonds for capital improvements, it's the same kind of principle. I mean, you have to make sure the thing that your doing is worth it. And beyond that, you have to make sure that it's a reasonable budgetary step. Nobody considers one shots that reasonable. But beyond that, I mean, if the pay out is over ten years, 15 years, it's a different story.

LEG. LINDSAY:

Different subject. Something you said in your prepared remarks as well, was comparing us to Nassau County. But we did vote for raising taxes on three different levels last year.

COUNTY EXECUTIVE GAFFNEY:

Oh, yeah.

LEG. LINDSAY:

I mean, do you really think that's fair? I mean, Nassau didn't raise taxes for seven or eight years running.

COUNTY EXECUTIVE GAFFNEY:

My recollection is my remarks didn't say we were like Nassau County, I said that if we don't act prudently, we're in danger of possibly becoming like them. I would never, and believe me, I have too much respect for this Legislature and each and every one of you to go that way, because the fact is you've done some really difficult things, you make some tough decisions. What makes me proudest of this county is that -- and I can't do it alone -- is that we've really stepped up to the plate and taken pride in how good this county is in dealing with its finances. I just don't want to step back. I mean, I don't want to see us begin a process that we haven't done in ten years. You know, that's my concern. Because as I said before, if you don't deal with it in one cycle, you're dealing with it -- if you don't deal with it effectively, you're dealing with it again along with the next cycle and then it tends to pile up into three cycles, and now you build a rock so big nobody can carry it. They can't carry it politically, they can't carry it governmentally. And the now, the only way is out. That's what I hope doesn't happen here.

LEG. LINDSAY:

That's where I'm really going with my last question is we really have two differing budgets; your's and the omnibus that was passed by this body. And if you look at them, the biggest difference between the two is how we filled the revenue gap.

COUNTY EXECUTIVE GAFFNEY:

Yes.

LEG. LINDSAY:

Your's is reoccurring, which means tax increases. Our's is some reserves, some of what you classify as one shots, some calculations that came in higher than when you had the opportunity to make up your budget, but there's no tax increases.

COUNTY EXECUTIVE GAFFNEY:

Right.

LEG. LINDSAY:

So both are really balanced. And again, it goes back to what Dave Bishop --

COUNTY EXECUTIVE GAFFNEY:

You had me until then. You know, I'm not so sure that, you know, that you can categorize a one shot, a budget full of one shots, as

balanced if some of the one shots are possibly not going to materialize. If you were onto take all nonrecurring revenue sources that you new were to coming in this year, and they were followed behind another group of nonrecurring revenue sources that were coming in next year, it wouldn't be so much of a problem. But after we have used all the nonrecurring revenue sources and there's nothing coming in after, then where do you go? You know, that's what happened in Nassau County. They started selling property, the property -- they plugged in money from property that hadn't been sold, it never got sold, so they had to plug in twice as many the following year, they didn't happen. And before you know, they can't -- you know, it's too big too deal with.

LEG. LINDSAY:

But aren't you saying to us that your crystal ball anticipates \$114 million shortfall in 2004, give me \$60 million in new revenue this year, and we'll plug the rest next year?

COUNTY EXECUTIVE GAFFNEY:

No, no, not at all. What I'm saying is that don't plug -- don't plug a problem with nonrecurring revenue sources, some of which, a significant part of which, may well never show up, because all you're going to do then is come to September when we're doing the next budget and you're going to have to deal with anything that comes out of the woodwork for that, plus the things you haven't done effectively this time. And what I'm saying what you're going to have is exactly what BRO said. I mean, you could wind up with 140 to \$170 million problem, because you didn't take care of it once and for all. The ideal situation is where you plug in -- when you see that there's an ongoing problem, fill the gap with an ongoing resource. And we're not doing that here. We're not doing that.

LEG. LINDSAY:

But --

COUNTY EXECUTIVE GAFFNEY:

And I'm supposed to have a crystal ball that goes into next year, that's part of my job.

LEG. LINDSAY:

I'm not criticizing you for that. Again, aren't you saying to the taxpayer, I'm going to -- have to get two dollars off of in increased taxes, give me a dollar now and a dollar next year? And what we're saying is, let's see how next year goes, and we'll take the two dollars from you next year, but we're going to let you keep that dollar in your pocket for another year?

COUNTY EXECUTIVE GAFFNEY:

This is where it gets down to the tough part, Bill, because if your

wrong in that year, and some of the things that you tried for plug the hole with don't happen or the hole gets bigger because of actions outside of our control, and we've all seen how that could happen, then when you go back to that person and say, hey, you know, I didn't take the dollar from you this year -- you know, last year, but instead of picking up two dollars from you, now I need six.

LEG. LINDSAY:

What happened last year? Last year you came to us in May and asked for a sales tax increase because you anticipated something on the horizon that looked scary.

COUNTY EXECUTIVE GAFFNEY:

And didn't we need every bit of it?

LEG. LINDSAY:

No doubt about it. But my point is you got into the year, you saw trouble seas in front of us, we corrected it midstream.

COUNTY EXECUTIVE GAFFNEY:

You're not going to be able to correct it this time, because you're not going know when it's going to happen. You know why? Because much of our problems come from the state, and that budget's not due until April 15th. And believe me, you're not going to know what's in that budget until they're ready to put it out. And I can tell you, the chances of it being ready on April 15th are probably pretty remote. And because of the nature of their problems, when it does come out, you're not going to be happy it with it.

It will impact -- it will have retroactive impact as well as prospective impact. So when that budget comes out, we're probably going to feel the pinch of it going back to now, and we're also going to feel the pinch of it going into the future. So I wish there were no such things as state mandates. I wish we had more control over the environment. I wish we had better ways to take care of problems in the County, but as long as the vast majority of our problems are created by levels of government outside of us, we need to reasonably anticipate that these things are going to happen. Because if they do a budget that cuts things that we have already budgeted for and takes them out, we have to scramble to makeup in arrears for that.

We could easily be having problems so that when you go to talk to the guy who said, you know, just take -- don't take anything now, take two dollars next year instead or of taking two dollars next year, we could be taking three dollars or four dollars. And once you get into that problem, again, you know, we're all human beings. It's hard as anything for me to come over here twice and say, give me a sales tax.

You got to know that this is not the most politically advantageous thing in the world for a County Executive, does anybody doubt that? You know. I have no doubt that it's not the most politically advantageous thing for any of you to vote for it. But we have an obligation. I mean, that's what we're here for. So for me for come over and ask for you this thing is not -- why would I do it if I really didn't think it was necessary? And I've been doing it often enough during these budgets to know when there's a pretty good chance that we're going to need it.

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LEG. LINDSAY:

I'm all done, Mr. Chairman.

P.O. TONNA:

Legislator Fisher then Carpenter.

LEG. FISHER:

Thank you for coming, Mr. County Executive.

COUNTY EXECUTIVE GAFFNEY:

My pleasure.

LEG. FISHER:

I just have a couple of questions.

COUNTY EXECUTIVE GAFFNEY:

Sure.

LEG. FISHER:

During these very difficult and uncertain times that we're experiencing historically, nationally, I think it's very important to engender public confidence, and I'm going to jump on your ship metaphor for a moment, because it seems to me that you've been sending out the message to the public that somehow our ship is sinking. We've used the word speculation quite a bit here, and one of the earliest messages, even when you and I spoke privately, was that the rating agencies were going to look unfavorably upon this budget. And yet, that was sheer speculation based on the response that you just gave to --

COUNTY EXECUTIVE GAFFNEY:

Absolutely.

LEG. FISHER:

-- Legislator Haley. So you agree that that was speculation on your part?

COUNTY EXECUTIVE GAFFNEY:

The difference is I'm speculating as to what a bond rating agency would do. You're speculating as to whether 17 or \$20 million of revenues is going to come in. It's a big difference. I mean, you have to see the difference.

LEG. FISHER:

Okay. But we're speculating that the bond agencies won't --

COUNTY EXECUTIVE GAFFNEY:

I speculate about who's going to win the Jet game. I don't speculate about what's going to happen with my kid's college tuition. I mean, those are two different kinds of things.

LEG. FISHER:

But that speculation nevertheless is still speculation, because the bond agencies have not looked unfavorably upon this. It's very important that that's clear.

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COUNTY EXECUTIVE GAFFNEY:

To that extent, you're absolutely right. Speculation is speculation. I just don't think there's any way to equate the two.

LEG. FISHER:

Okay. And another item, another question that I have is in balancing numbers. Okay. Budget Review, you have quoted many times as saying that in the Budget Review's report they did suggest that we not base our balance -- balancing the budget on one shots, and yet when the Omnibus Committee and the Legislature worked on the budget, we did work hand in hand with Budget Review and used their recommendations. And you have always known Budget Review to be nonpartisan and very much -- and very professional.

P.O. TONNA:

I would say we knew that. I wouldn't say that he's always.

COUNTY EXECUTIVE GAFFNEY:

No, on the contrary. I think you're making my point. What has Budget Review said about one shots? Read it.

LEG. FISHER:

But the Budget Review after that review was written has worked with us on the numbers and has been a part of the process.

COUNTY EXECUTIVE GAFFNEY:

I have a Budget Director, right? If I tell him, you know, Bob, we're going to lay off 3,000 people, do this, and you know, give me a way to

make it happen, he's going to do it. Does he think it's right? No. But he's going to do it, because that's his job. He wasn't -- he wasn't elected to anything. You know, you and I were elected. We have a responsibility. People say, you know, give me a plan to destroy the County, they'll give you one. Give me a plan to make it better, they'll give you one.

LEG. FISHER:

Although we've asked Budget Review on the record --

COUNTY EXECUTIVE GAFFNEY:

Did you ask them if it was responsible?

LEG. FISHER:

Absolutely. After our discussion, I also asked Budget Review about the \$14 million --

COUNTY EXECUTIVE GAFFNEY:

Okay.

LEG. FISHER:

-- one shot, with which you have a problem, and Budget Review has assured us that they have they feel confident.

COUNTY EXECUTIVE GAFFNEY:

That's good.

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LEG. FISHER:

I did want to ask you, however, with regards to a question that was asked by Legislator Crecca, the \$58 million that would be coming in through sales tax revenue --

COUNTY EXECUTIVE GAFFNEY:

Right.

LEG. FISHER:

We also have the \$29 million that was additional revenue that had not been anticipated earlier. That's part of our budget process, it hasn't been part of your's.

COUNTY EXECUTIVE GAFFNEY:

That's correct.

LEG. FISHER:

So if you add that \$29 million to the \$58 million, I get back to Legislator Crecca's question, which is where would that additional money go if -- vis-a-vis the omnibus?

COUNTY EXECUTIVE GAFFNEY:

All right. And I can answer you that very succinctly. Twenty-three million of that 29 is nonrecurring. You know, it's -- it's sales tax money that's not going to be coming again in the following year, because it's -- some of it's based on previous quarters. So if you bring it down to \$23 million of non recovering money, then you match that against the other thing that came in since we had those discussion, which is an additional 24 something million dollars --

LEG. FISHER:

Mention the pension.

COUNTY EXECUTIVE GAFFNEY:

It's a wash, so there's no benefit there at all.

LEG. FISHER:

But the \$29 million is real money, and it is money that balances this year's budget, so then we move -- we seque into Legislator Bishop's question.

COUNTY EXECUTIVE GAFFNEY:

I know, but the bill for the \$23 million is also real money that has to be paid. I mean, you can't just add on the, you know, the asset side.

LEG. FISHER:

It's part of this balanced budget. It doesn't -- you're drawing it one year forth to 2004.

COUNTY EXECUTIVE GAFFNEY:

No. No. This has to be paid this year.

LEG. FISHER:

Okay. It balances this budget.

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COUNTY EXECUTIVE GAFFNEY:

Which does?

LEG. FISHER:

The \$29 million is part of this budget.

COUNTY EXECUTIVE GAFFNEY:

It doesn't balance this budget if it's going to be offset by things that you haven't included in there, your liabilities, one of which is another \$24 million. So it's not -- I mean.

LEG. FISHER:

So even if it were a wash with that, we'd still have another \$58 million if we were to repeal the relief on sales tax.

COUNTY EXECUTIVE GAFFNEY:

Yes. Our cost have gone on, so 58 -- the \$58 million works in a scenario where the obligations to pay don't have the 24 million in it.

LEG. FISHER:

I think I'm still looking for a more specific answer as to how it works, vis-a-vis the omnibus, which parts of the omnibus.

COUNTY EXECUTIVE GAFFNEY:

The way it works, vis-a-vis the omnibus, is it plugs in a number that is something that is realizable and real, okay? But what the omnibus doesn't do is it doesn't plug in a -- you know, a debit number, which is equally equalizable and real for \$24 million, which makes them a wash. So the bottom line, Vivian, is that nothing happened.

LEG. FISHER:

Okay. We're going in circles.

COUNTY EXECUTIVE GAFFNEY:

No, we're not. That's the answer.

LEG. FISHER:

I washed it with the 29, not with the 58. Fifty-eight and 24 still leaves quite a bit left.

COUNTY EXECUTIVE GAFFNEY:

All right. Let's do the math, add 58 and 24.

LEG. FISHER:

One is a debit, one is a credit.

COUNTY EXECUTIVE GAFFNEY:

No. No. Fifty-eight --

LEG. FISHER:

Twenty-four is the debit, because it's increased pension costs. So you're subtracting one from another.

LEG. POSTAL:

I'm sorry. There are a lot of people who would like to speak, and we're kind of engaging in a discussion rather than questions.

COUNTY EXECUTIVE GAFFNEY:

My apologies. I'm sorry.

LEG. POSTAL:
Are you finished?

LEG. FISHER:
Yes.

LEG. POSTAL:
Legislator Carpenter.

LEG. CARPENTER:
Thank you. It's been said many times, many ways today that the economy is fragile. And I think we can all agree that we've retooled our economy over the past years here in Suffolk and on Long Island. And it's been said time and time again that tourism has become our number one industry. And very much a part of tourism is the shopping experience. And I, for one, am afraid that if we remove the exemption on clothing, that we will cut into that tourism base that we have come to enjoy and rely on over the past years, that we've invested in infrastructure, in marketing, in tourism destinations. My question to you is absent a willingness on the part of everyone involved here to eliminate that exemption, would you support lowering the threshold from 110 to \$50? And if so, would you aggressively lobby New York State to pass that ability for us to lower that threshold?

COUNTY EXECUTIVE GAFFNEY:
I don't know. I'd have to check, but I don't know. My understanding is that it's a 110 or it's nothing. I don't think you get to set the threshold.

LEG. CARPENTER:
No, I know that. Right now, it's 110 or nothing. And I think that as you've stated depending on who you listen to, the deficit that the state is facing is huge, and they're going to be looking at everything. And perhaps sales tax is on the table, and they're going to be looking at that and rethinking that. And I think that rather than eliminate it entirely, we should be looking at lowering the threshold.

COUNTY EXECUTIVE GAFFNEY:
The problem, Angie, is these are issues that, you know, that are ripe for discussion next year as we prepare the 2004 budget. We can't plug in a number based upon what the state might do, whether we would get -- because if we don't exercise by December our ability, you know, to take this off beginning March, we loose the right to do that.

LEG. CARPENTER:
No, I understand that.

COUNTY EXECUTIVE GAFFNEY:

So these are -- and these are perfectly valid discussions for what we deal with in 2004, you know, maybe on that, but I'm suggesting that without doing it now, you know, the chances of being in a position to be financially stable in 2004 are harder and harder.

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LEG. CARPENTER:

Well, I think too, that again, I'm going to ask it again, would you, absent this -- and even if there is a willingness to put that sales tax back on clothing, would you aggressively lobby to lower that threshold? Because I think that that threshold amount of \$50 enables everyone to win. It enables those who are least able to afford to pay, relief from the sales tax burden when they purchase clothing and shoes, especially for children, anyone can find anything, you can even buy a coat for less than \$50, you may have to buy it at K-Mart, you're not going to buy it at Bloomingdales, but you can shop and shop wisely and not have to pay the sales tax on clothing. And again, we need to start that now. This body --

COUNTY EXECUTIVE GAFFNEY:

The problem we have, Angie, is that the Legislature is not in session. And as I understand, it's not going to be going into session until January. By December, they would have had to resolve that issue. If they resolve it later, then there's a possibility. But I would no more want to be -- it's not a budget issue for us, but it is as another kind of issue, as an issue about what we can do with the state agenda, I'd be happy to include that work for it. I agree with you

LEG. CARPENTER:

Well, and I appreciate that. I think it's very important.

COUNTY EXECUTIVE GAFFNEY:

I agree with you.

LEG. CARPENTER:

Getting back to the tourism, we have two major -- one truly major outlet center here on Long Island in Riverhead that is doing phenomenally well. Our shopping centers are doing phenomenally well. The Lord and Taylor in Bay Shore is far beyond what they're doing in Westbury, which has been a traditional high end sales store. The ones here are doing better.

P.O. TONNA:

Okay.

LEG. CARPENTER:

And I can't help but think it's because of the sales tax. And I would

hope that you would work with us to get them to look at that compromise.

COUNTY EXECUTIVE GAFFNEY:
Absolutely.

P.O. TONNA:
No retailers. Okay. You have a question?

LEG. GULDI:
Yes.

P.O. TONNA:
All right. And then after that I'm sure that the County Executive has

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to go back to his office and start working on those vetoes.

LEG. GULDI:
Which actually dovetails very nicely with my question. And, you know, before we started this process, I want you to know that I resolved to not make ask any questions, because I didn't think I could make any meaningful contributions to this.

COUNTY EXECUTIVE GAFFNEY:
Well, I like that. I hope I didn't do anything to change your mind.

LEG. GULDI:
Now I'm going to demonstrate that I was right. And that is, I mean, before you came here, you spoke to each of us individually, you spoke to us in our caucuses respectively, we've been over and over and over this issue, and you and I both know that before walking in here today, you didn't have the votes for this. And that you still don't have the votes for it.

P.O. TONNA:
What's the question?

COUNTY EXECUTIVE GAFFNEY:
Well, I don't know that.

LEG. GULDI:
Well, let me -- well, that gets to the question. I mean --

P.O. TONNA:
Which is?

LEG. GULDI:

If that is a given, what are you really here for?

COUNTY EXECUTIVE GAFFNEY:

I'm really here for just that reason. Because I was in the identical position in 1992, when we were faced with an economic issue similar to this. And everybody said, you'll never get Republicans and Democrats to vote for something. And I was able to go around and talk to both caucuses and make an appeal, very similar to what I'm doing right now, and put together a coalition of reasonable Republicans and reasonable Democrats who supported an application -- who supported a sales tax increase. No one thought that was possible. And beyond that, no one thought it would ever get through the State Legislature. But we did -- actually, we did it here, did it up there and then got it down here again.

You know, I have great faith. I have great faith in the Suffolk County Legislature. You know, I think when focused on what the right thing for the people of Suffolk County is in the long run, they will make hard decisions. And make no mistake, you know, I know this is a hard decision, but I believe that they will do that. I've seen them do it before. I've seen this body do amazing things, accomplish things that nobody ever thought they would believe to do. I just have -- somewhere I just believe they'll do it now.

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LEG. GULDI:

Well, you know, I think that we have a fundamental disagreement between where we are economically now versus where we were in 1992. I fear that we're not at the 1992 level, instead we happen to be more at the 1989 level, and that we're looking down a long road, not a short road to recovery.

COUNTY EXECUTIVE GAFFNEY:

I agree.

LEG. GULDI:

Given that reality or probability, if we will, what -- why are we now here at the forefront looking at the tax increase, particularly, you know, I've articulated the insanity of using sales tax over property tax, I think it's a reverse subsidy. I mean, it's a regressive taxation at its worst. But why are we looking first at tax increase and not at the budget cuts? We are going to go through a period of pain. We're talking about \$60 million in projected revenue, which is two-tenths of 1% of the budget. If we can't makeup that by tightening our belts, and we're looking at a long road, what are we going to do long-term?

COUNTY EXECUTIVE GAFFNEY:

Well, when I submitted the budget, it had a 6.75% real property tax increase, which apparently was deemed to be, by the Legislature, too big. So it was not -- and I included a \$58 million sales tax increase, which was also deemed to be no good. I'm not so sure where -- you cannot increase property taxes by more than a certain level and without making -- without making the County become inviable economically. It's things like that that, you know, you need to do it gradually. When I got here in 1992, we had a 280 million -- about a 200 -- \$180 million -- I don't remember the number now, million dollar general fund property tax levy. It's now 54 million.

LEG. GULDI:

Right.

COUNTY EXECUTIVE GAFFNEY:

That's good and bad.

LEG. GULDI:

It's bad.

COUNTY EXECUTIVE GAFFNEY:

It's good because you've reduced the taxes. It's bad because it creates even more reliance on sales tax.

LEG. GULDI:

On sales tax, and it also replaces deductible dollars with non deductible dollars.

COUNTY EXECUTIVE GAFFNEY:

There's a reason why that has happened, and part of it is as a result of the fact that -- that in Suffolk County, according to the charter, if you generate a surplus in a given year, and surpluses as I said are almost always generated in good years, boom years, it has to go back

to the property -- you can't give sales tax back. The money comes from the sales tax, but you can't give back to the people who buy. So you give it back to the people who live, who own property. That drives the problem worse and worse.

LEG. GULDI:

Right. We do have money in the tax stabilization fund.

COUNTY EXECUTIVE GAFFNEY:

No. I think you took that out in the omnibus, frankly.

LEG. GULDI:

I think we put some in too.

COUNTY EXECUTIVE GAFFNEY:

I would suggest you took out more than you put in.

LEG. GULDI:

We did that last year, that's for sure.

COUNTY EXECUTIVE GAFFNEY:

No, no. This budget, the omnibus takes out --

LEG. GULDI:

Between belt tightening -- why --

COUNTY EXECUTIVE GAFFNEY:

You took out \$14 million potentially, out of the reserve fund.

LEG. GULDI:

Isn't the reserve fund for economic downturns and to avoid tax shock?

COUNTY EXECUTIVE GAFFNEY:

Yeah, that's what it's for.

LEG. GULDI:

And the one question I don't --

COUNTY EXECUTIVE GAFFNEY:

It's also there to be -- to protect -- it's not supposed to be -- you know, it's not supposed to really be the anecdote for hard decisions either.

LEG. GULDI:

No, it's not the anecdote for hard decisions. I think we've wrestled with making hard decisions. But the point -- the one question I don't feel you've been responsive to --

COUNTY EXECUTIVE GAFFNEY:

Okay.

LEG. GULDI:

Is the why can't we in our budget make up two-tenths of 1% this year by belt tightening? Why do we have to be looking at tax increases now instead --

P.O. TONNA:

Just wait one second, George. I'd ask Legislators please to give the respect to Legislator Guldi and let him finish.

COUNTY EXECUTIVE GAFFNEY:

The problem is that it's not -- you've got a \$2.2 billion budget. You know, that budget is not all discretionary, you know that, 85% of that and more if you count binding arbitration and things like that, it's mandated by other levels of governments. We can't get out of that. You take all that down, we have a very small part of that budget, over which we have the discretion to hire and fire. Medicaid is mandated upon county government. So along with that, comes the people to administer Medicaid. You know, it's a process that's been driven outside of us for so long that we forget that even though it's a \$2.2 billion budget, the only part we control is a very small part of it, and most of it is Health Department and things like that.

P.O. TONNA:

I just -- you have one more question?

LEG. GULDI:

I want to conclude and say thank you for coming. I think you being here and doing the dialogue is constructive.

COUNTY EXECUTIVE GAFFNEY:

Let me say in closing, this is not to create a precedent.

LEG. GULDI:

You just did that.

P.O. TONNA:

You know, we could have filibustered for two more hours and then he wouldn't have had any vetoes come over. But I think we'll give you the time. Thank you very much, County Executive Bob Gaffney.

COUNTY EXECUTIVE GAFFNEY:

Ladies and gentlemen of the Legislature, thank you.

P.O. TONNA:

Thank you very much. This is a microcosm of democracy at work. This is great. Thank you.

LEG. CRECCA:

It's a big word for you.

P.O. TONNA:

It's a big word for me. Did I pronounce that correctly, George? Okay.

LEG. LINDSAY:

Why are they all leaving?

P.O. TONNA:

No. This is the group -- they're on the clock. That's called the exempt employees. That's what they call exempt employees. Okay. Here we go. Judy Pannullo. Hi, Judy, how are you?

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MS. PANNULLO:
Good.

P.O. TONNA:
Three minutes.

MS. PANNULLO:
I'll be shorter than that.

P.O. TONNA:
Okay.

MS. PANNULLO:
Hi. I'm Judy Pannullo with the -- I'm the Executive Director of Suffolk Community Council. It's unfortunate at that everybody from the County Exec's Office left, because we were asked to speak about this issue. So it's unfortunate.

LEG. TOWLE:
By who?

LEG. FISHER:
Wait. Who asked you?

P.O. TONNA:
Yeah, who asked you?

MS. PANNULLO:
Will I be asked the question before or after.

P.O. TONNA:
No. We'll let you speak, Judy.

MS. PANNULLO:
Okay. The Suffolk Community Council fully recognizes and respects that balancing the budget is extremely complicated and challenging. And I certainly don't envy any of our elected officials, this huge chore. And furthermore, I'd like to take this opportunity to recognize and appreciate all of the long and endless hours the Legislature and the BRO has spent on this grueling task. It is, however, most unfortunate that in order to balance a budget, it always seems that the poorest of poor are effected, and they can certainly no longer bear the brunt of it.

[SUBSTITUTION OF STENOGRAPHER - DONNA CATALANO]

MS. PANNULLO:

As advocates for Social Service agencies, we once again offer to work together to ensure that important programs that exist for those who need it most are fully funded. It is not the position of the Suffolk Community Council to support any tax that is regressive in nature, because it hurts those who can least afford it, nor is it certainly the position for the Council to support or to solve the budget problem with the sales tax with no alternatives that we realize -- with no alternatives are available, and we realize that the choices are tough. However, it has to be done. It has to be done, and we're

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sure that restoring the sales tax on clothing and shoes is just one of the many ways that are being looked at to generate enough income to pay for all of the services needed. The Council continues to support the complete and full restoration of funding to all the human and Social Service contract agencies, because a cut to one agency is a cut to all human services. And the Omnibus, although it did restore a lot of the agencies, it did not restore all of them.

P.O. TONNA:

Thank you.

MS. PANNULLO:

Thank you.

LEG. TOWLE:

Mr. Chairman. Mr. Chairman.

P.O. TONNA:

Legislator Towle.

LEG. TOWLE:

Who asked you to speak? That was my questions earlier.

MS. PANNULLO:

I got a call from Anne Arthur's Office.

LEG. TOWLE:

Anne Arthur's Office. Is -- Anne, you want to come up here, because I --

P.O. TONNA:

Wait, wait, no. This is the public portion. This is the public portion.

LEG. TOWLE:

Yeah, I know this is the public portion. And I have a question to ask.

P.O. TONNA:

But afterwards you can bring her up, right now the public speaks. No, you can't do that right now, Anne. Right now the public filled out cards, they're going to speak. I even had public citizen Bob Gaffney fill out a card. So when that's all done you can ask away.

LEG. TOWLE:

That's great, Mr. Chairman.

P.O. TONNA:

Okay. Thank you. Legislator Alden has a question.

LEG. ALDEN:

You are or aren't supporting the reinstituting of sales tax, because if you are, I find it very, very --

MS. PANNULLO:

I'm not, no.

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LEG. ALDEN:

Okay. Because it hurts -- it hurts --

MS. PANNULLO:

What I'm saying is that I realize it's a difficult situation, and if it's one the issues that are being looked at then I can certainly understand the difficulty. And I'm sure that other solutions have been explored.

LEG. ALDEN:

Sales tax absolutely hurts the worst -- the segment of society that can least afford to pay for it, and it takes more of their percentage as far as -- of their salaries and any money that they have coming in than anybody else has to pay. So I would find it very, very funny if you --

MS. PANNULLO:

No. And I was trying to be very clear saying that we would never support a regressive tax --

LEG. ALDEN:

Okay. Good.

MS. PANNULLO:

-- and that we realize how difficult this is to do. And that's one of things I'm sure you all looked at.

P.O. TONNA:

Okay. All right. Anybody else have a question? No. Thank you, Judy. Okay. Phil Goldstein. Phil, I would ask that you just -- you've got three minutes, and it started five seconds ago.

MR. GOLDSTEIN:

How about if I ask if you can ask me a question and indulge me as you did the County Executive?

P.O. TONNA:

There's no way. No way.

LEG. TOWLE:

Times up, Phil.

P.O. TONNA:

So what do you think about the patriotic energy tax on gasoline?

MR. GOLDSTEIN:

My point exactly. You are -- you are arguing about whether to rob Peter to pay Paul or Paul to pay Peter. In both cases your focus is within a box. You have a narrow mindset. Somebody made reference to the fact that Mr. Bloomberg, who I commend was audacious, and I'm glad to mention that the Independence Party endorsed him. He shows the kind of leadership which harkens back to our forefathers, and I wish you to, you know, put your mind in that respect. At the end of the French and Indian War, the British government, the Parliament, Mr. Caracciolo who isn't here now, saw fit to impose costs upon us. And we started out in the same manner that you guys did. When the

arbitrator imposed a police costs upon us, we sent letters of remonstrance. We complained oh, my goodness, how could you do this, an unelected official imposing these costs upon us? But if you remember your history, you know that the colonies did more than that. They rebelled. And I think it's about time that you people were as audacious. I have proposed to you that there is a source of revenue which is in the national interest and in the interest of the counties of the State of New York, and that is the patriotic energy tax on gasoline.

We are addicted to the use of gasoline to our detriment. There have been reports in the newspapers about the levels of pollution that are increasing on Long Island. And it's not from the smoke stack

industries to the west, but it is from the SUVs and the light trucks which we indulge ourselves in purchasing and which are gas guzzlers which do not adhere to EPA standards. Yet you are looking to impose upon the most vulnerable segments of our population, a means whereby you're going to create more revenue in order to fill this deficit that you are facing, which is an ongoing deficit. Well, we have a war against terrorism which our President has said is going to last for a decade. We need ongoing revenues. And the people who can best afford to pay it are the people who can spend 30 to \$50,000 to indulge themselves by buying these gigantic SUVs, which are getting bigger. Now, all of the luxury cars are going into the SUV business for the benefit of their bottom line. They are no longer American corporations concerned about the national interest. They are now --

LEG. HALEY:

I have a question.

MR. GOLDSTEIN:

-- international corporations --

P.O. TONNA:

Phil, all right. Thank you very much, your time is up.

LEG. HALEY:

I have a question. What do you feel about legalized gambling?

P.O. TONNA:

Legislator Haley, in the interest -- in the interest of keeping this before dark hits, I would ask -- all right. Go ahead. He asked a question. He's asked you a direct question.

MR. GOLDSTEIN:

As far as legalized gambling is concerned, I personally am opposed to it, the Independence Party does not have a position on it. But the point very simply is we ought to do the right thing. And the right thing is to be audacious like Mr. Bloomberg. He said to the State Government in its face, I want a commuter tax put back on, or I want an incomes tax so that we can meet the bills that you have imposed upon the City of New York. Well, I say this Legislature ought to pass a resolution saying to the Legislature of the State of New York that we want a patriotic energy tax on gasoline, and we are going to enact it, in your face. Okay. And we challenge you to deny us this source of revenue.

P.O. TONNA:

Thank you very much.

LEG. HALEY:

Thank you.

MR. GOLDSTEIN:

Thank you.

P.O. TONNA:

Having you be a regular here, I have ordered defibrillators. All right. Defibrillator, defibrillators, defibrillators. There we go. I'm mixing that up with the thing that Friendlys has, Fribbles. I'm going to ask to extend the public portion --

MR. BARTON:

Mr. Chairman. Mr. Chairman. I need five minutes, we're having a problem with the recording device.

P.O. TONNA:

Okay. Five minute recess.

(A RECESS WAS TAKEN AT 2:55 P.M. and MEETING RESUMED AT 3:05 P.M.)

P.O. TONNA:

All right. We're back. Gavel for order. And thanks to George Guldi, I do not say, I Pledge of Allegiance anymore, I just Pledge Allegiance. All right. Here we go. Mildred Floyd, it's a pleasure to see you and I'm sorry about the technical difficulties.

MS. FLOYD:

It's quite all right. It's my pleasure to be here today. I'm a life long resident of Suffolk County, and as such, I've attended many sessions, I've sat up on the -- your podium and listened to hearings, but this is my first time to address the Legislature.

P.O. TONNA:

It's pleasure having you.

MS. FLOYD:

I'm excited, but I'm delighted to have witnessed the exchange between the County Executive and between our body. I know that there are tough decisions all of us have to make. I know that people have come into our system because of the economy are seeking support because they've lost employment, they've lost their homes. We've lost businesses, and we've lost the tax stream, revenue. I don't wish to lose my children and my grandchildren to remain here in Suffolk County with high increases in our tax structure, especially with our homes. My daughter recently purchased a home, she's paying approximately \$1700 a month for her mortgage payments. It was clearly a shock, because now she thinks she owns the home, but there's principal and there's interest and there's taxes. If those taxes are raised, we're going to hurt those who can least afford it; our young people to keep

them here, our senior citizens who are on a fixed income and those people who do not have the ability to buy homes. I know you're faced with a tremendous battle. We all are. But we must all contribute to

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this tax base. And the tax base I think is more equitable is to try to increase the sales tax.

P.O. TONNA:
On clothing.

MS. FLOYD:
On clothing and footwear. We're used to having taxes on our clothing. Other areas have it higher than us. Florida is high. No matter where you go. But to raise the initial monies on tax property, I just think it would penalize too many people. And I'm here today not as a person as a provider of services to those who are homeless, I'm here today as a taxpayer, as a property owner and a grandparent. And I'm saying just look into your hearts and work with the County Executive and all of you work together, so that we can resolve this issue. Thank you so much.

P.O. TONNA:
Thank you. Mildred, just, I know there's one or two questions. First of all, I want to thank you. For your first time speaking in front of in -- in front of this body, it was excellent, and I really appreciate your comments. I just -- are you aware that the budget does not suggest any property tax increase in the general fund?

MS. FLOYD:
I know that. Those are some of the alternatives that you might have.

P.O. TONNA:
No. We're not increasing property taxes or sales tax in the general fund. And the property tax in the police fund, is the exact same property tax that has been suggested by the County Executive. Are you aware of that?

MS. FLOYD:
No, I'm not.

P.O. TONNA:
Okay. Thank you. Is there a question? Anybody else?

LEG. TOWLE:
Mr. Chairman.

P.O. TONNA:

Yeah, Legislator Towle.

LEG. TOWLE:

Mildred, we appreciate you coming down today, and obviously, you have done a lot of great things in the County over the years. Were you also asked to be here today, or did you come down on your own?

MS. FLOYD:

I came on down because I had been following this, and I believe the Presiding Officer did send me a list of many of the meetings you would have, because I did write him a letter sometime ago.

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LEG. TOWLE:

Appreciate you coming down, thanks.

MS. FLOYD:

Thanks very much.

P.O. TONNA:

Thanks very much. Linda Fleming? It must have been -- could you believe I've anticipated this meeting months ago? No. Jim Dubrowski or Dumkowski or whatever his name is. That's for you, Jim. All right. Linda.

MS. FLEMING:

I'm Linda Fleming, I'm almost afraid to identify myself. I feel so caught in the middle. I thought I knew I was going to say when I started this morning. As the day went on, I really kept sitting here thinking I'm going to pass. I feel as an agency that did not get restored at all as the other quality consortium agencies did and who has 10% of their total budget cut, I have to get up and say something. I will not take a stand on this, because I really can't. I feel, as Mr. Foley has said, that there's a game going on here, and the contract agencies are really caught up in the middle on it. As I said, I really was sitting and saying I'm going to pass, it's going to be three o'clock, I won't have to say anything. But I do have to remind you that the quality consortium agencies were not restored, were cut of our total budget. And also to put in a word, that we have suggested to you before, it won't help now, but in the future, we have suggested a dedicated tax on alcohol. That would remind you that is a possibility in the future for you.

P.O. TONNA:

Thank you. Thank you very much.

LEG. FOLEY:

Follow-up question. Question. Thank you. Ms. Fleming. Linda.

Thank you for your comments. And they're very timely, because we heard earlier from the County Executive of how he's going to continue his interaction with the State Legislature, although to date, I don't know what the success rate has been. But the fact of the matter is whether it's a dedicated tax on alcohol or on beer in particular and have it go to a dedicated fund such as for substance abuse, those are the kinds of ideas that the County Executive also has to review and to make some judgments on and, in fact, come to the conclusion to support, if, in fact, it can be dedicated to -- as we know it could be to a particular function -- particular area of the county budget, which is substance abuse services. And across this country, it's been shown, Mr. Chairman, that when there is a revenue source that is dedicate to any particular purpose, that by and large, the public will agree with that as long as it's used for that purpose, or as we like to call that lock box scenario.

P.O. TONNA:
Question.

LEG. FOLEY:
So I thank you for your comments.

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P.O. TONNA:
All right. And what's the question.

LEG. FOLEY:
Thank you.

P.O. TONNA:
Thank you. Brian, please. Okay. Kathy Lanziletto.

MS. AYERS LANZILLOTTA:
Kathy Ayers Lanzillotta. Thank you. I'm here to represent the Quality Consortium, 24 member agency, alcohol and drug abuse providers. And I thank you for the opportunity to speak today. I just want to reiterate Linda Fleming's comment that our agencies were cut 36% of the County's contribution to the drug and alcohol service delivery system is cut. The omni bill does not include our agencies. This is an severe County cut to our system.

LEG. FOLEY:
Can I ask a question.

P.O. TONNA:
Let her finish. Let her finish. You have an opportunity to ask her a question.

MS. AYERS LANZILLOTTA:

So of the \$6 million, about a million of it goes to our field. And our drug and alcohol provider agencies were not in the omni bill, and we were -- and we are still in the County Executive's cut. Hence, I come to speak on the clothing tax increase, and I too don't want to take a position on this, but I do agree with the County Executive's statement that we do need to plug the budget gap with a recurring revenue source. We also -- I also agree with Legislator Postal's question that was raised today, which we're saying, why don't we look at other taxes and do we really need to be looking at the necessities like property taxes and clothing taxes? We testified on the issue of a dedicated beer tax. This tax would be something that could directly fund your drug and alcohol service providers here in this County. It only is about less than \$3 million of County money that goes into our services. If we had a dedicated tax on beer and move that money in, I could guarantee you we wouldn't see a 36% reduction in any year to our service system. And I strongly support bringing that resolution back to the table for further consideration. I could speak more on the dedicated sales tax. I know that's not what you're here about today, but I think that's something I strongly encourage you to think about further. Thank you.

LEG. FISHER:

Kathy.

LEG. FOLEY:

Paul. Paul.

P.O. TONNA:

Okay.

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LEG. FISHER:

Was I first, Paul?

P.O. TONNA:

Legislator Fisher first. But Legislator Fisher, I love the gloves. It almost looks like you're a superhero.

LEG. FISHER:

I'm very cold.

P.O. TONNA:

Amazing. All right. Legislator Fisher, then Legislator Foley.

LEG. FISHER:

Kathy, thank you for being here. I do need to ask the question, were you invited to come by anybody?

MS. AYERS LANZILLOTTA:

Yes. I wasn't asked to speak on the dedicated sales tax. I was invited to come to speak on the clothing tax.

LEG. FISHER:

By whom?

MS. AYERS LANZILLOTTA:

By the Health Department, Tom MacGilvary.

LEG. FISHER:

Okay. All right. Because you might have noticed in my line of questioning when I asked Mr. Gaffney where would that \$58 million be going, where was he going to address that in the omnibus, and there really wasn't a direct response to that.

MS. AYERS LANZILLOTTA:

I share your concern.

LEG. FISHER:

Okay? I didn't know if you were listening, and that was my question, Mr. Chairman. Another question I have is that I don't remember -- I think that I was under the impression that we had restored the funds.

MS. AYERS LANZILLOTTA:

No.

LEG. FISHER:

And can you name the agent -- your agency?

MS. AYERS LANZILLOTTA:

I can name the agencies of the Quality Consortium. In looking at the list of all the programs in the omni bill that got restored, the contract agencies, the drug and alcohol contract agencies were not specifically in there. Some of the agencies were in there, for example, Family Service League's name was in there, but the Family Recovery Center, which is the alcohol outpatient clinic in Middle Island and Riverhead and Bay Shore is not one of the contracts. So you need to look between the lines in terms of which specific

contracts. The Catholic Charity's alcohol outpatient clinic in Commack was not included in that. I can give you a list of all the agencies.

LEG. FISHER:

Yes, because I believe that had we been -- had it been on our radar screen, probably there would have been a restoration of funds at that

time. At this point, the omnibus is done and perhaps through member items there can be some help, but not a million dollars worth.

MS. AYERS LANZILLOTTA:

I didn't see Family Recovery Center on the list. I can give you the copy --

LEG. FISHER:

That would be very helpful. Thank you very much, Kathy, because I don't think that was an intentional cut on our part.

MS. AYERS LANZILLOTTA:

We gave this out at every hearing. And I know that this information has been on the table in terms of what the expected cuts would be for each of our contract agencies. And from our read on it, I mean I may have missed one, I don't know, it came about -- everybody was asking, who put this together, where are these cuts coming from, but at a glance I do not see that the 18 contracts, if you look at the substance abuse agencies and the alcohol abuse agencies, I don't think each one of those contracts in the budget are included in the omnibus bill.

LEG. FISHER:

Well, Kathy, between today tomorrow we'll compare the list and see where it might have slipped through.

MS. AYERS LANZILLOTTA:

I really appreciate your support for that --

LEG. FISHER:

Thank you for coming.

MS. AYERS LANZILLOTTA:

-- because it directly impacts on our field. I did notice, if I can say for the record, we did put in funding for 16 new correction officers. And the amount of money it's going to cost for 16 new correction officers would equal the amount of money that would be cut out of the alcohol and drug service delivery system in one year. So there's definitely a correlation between the drug and alcohol field and the corrections system. If we cut our system out, guys, we're going to cost ourselves a lot more.

LEG. FISHER:

Thank you.

LEG. POSTAL:

Legislator Foley, then Ledge Alden.

LEG. FOLEY:

My question was answered, thank you.

LEG. POSTAL:

Thank you very much. The next speaker is Kym Laube.

LEG. TOWLE:

Legislator Postal.

LEG. POSTAL:

Yes.

LEG. TOWLE:

As the next speaker approaches the microphone, I just would like to make a request of you that Tom from the Health Department and Ms. Arthur, since they appear to be two of the people that have encouraged people to come here today and mislead these agencies, I'd like them here when we do that vote, because I would have some questions of them this afternoon.

LEG. POSTAL:

Well, are they still -- is Anne Arthur still here?

LEG. TOWLE:

I'd like the other person too.

LEG. FISHER:

Tom MacGilvray.

LEG. TOWLE:

Yeah, because apparently they have more budget expertise than the rest of us.

LEG. POSTAL:

Todd, would you just make sure that Mr. MacGilvray and Ms. Arthur are in the auditorium so that after the speakers have -- we've completed giving all the speakers an opportunity to speak, Legislator Towle can ask the question he wanted to ask earlier.

LEG. TOWLE:

I feel a few other Legislators have other questions.

LEG. POSTAL:

I assume they're in the building.

MR. JOHNSON:

Any questions you have, I can answer them.

LEG. POSTAL:

No. I don't think that's satisfactory.

LEG. FISHER:

They were named as people who invited --

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LEG. POSTAL:

Legislator Towle specifically asked for Ms. Arthur to respond to his questions. Is she in the building?

LEG. TOWLE:

And I imagine, Todd, before the day's over we'll have a few more names to add to that list.

LEG. POSTAL:

Would you please call over and --

LEG. ALDEN:

No. We have to do public portion right now. Todd, you can't answer -- we need the public to speak right now.

MR. JOHNSON:

Then I can't answer the question yet.

LEG. POSTAL:

We really want Ms. Arthur here. So if you could call over to get Ms. Arthur to come back and Mr. MacGilvray, that would be very helpful, Todd. You'll do so, right? Thank you.

LEG. TOWLE:

This is not a question, it's a request.

LEG. POSTAL:

Yes, absolutely. You know, I'm assuming you're going to get up and go call.

MR. JOHNSON:

I'd just like to comment on your request, if you give me a chance.

LEG. POSTAL:

No. No. This is not a request. This is a repeat of what was said earlier. A little earlier in the day Legislator Towle asked to speak to Ms. Arthur and Mr. MacGilvray. They started to come up to the podium, the Presiding Officer pointed out this was the public portion, and when the public portion was concluded, they would have the opportunity to respond to Legislator Towle's questions. Now, I assumed that they were going to stay here.

MR. JOHNSON:

I'll relay that request by the Legislature,

LEG. POSTAL:

Yes. Actually, it's more than a request. It's really imperative, it's not a request, they must be here. Thank you. Okay. Our next speaker is Kym Laube.

P.O. TONNA:

What did they do? They disappeared?

LEG. FISHER:

They invited people to come and they left.

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LEG. TOWLE:

We'll send over a Deputy Sheriff to pick them up.

MS. LAUBE:

Okay. I'm a bit nervous to speak in front of you this morning.

LEG. FISHER:

And we've put you really right at ease, haven't we?

MS. LAUBE:

I need to say first off, that I speak to teenagers and that's what I generally do, and that doesn't scare me and concern me, this petrifies me. I'll take a roomful of teenagers any day.

LEG. POSTAL:

They're a little more rational than we are.

MS. LAUBE:

I, like many others, have said since I sat here this afternoon the ideas of why I came here and what I needed to say have changed. I sit on both sides of this fence. I am a taxpayer, I am a resident of Suffolk County and have been forever. I am also a contract agency that's slated to be cut 100%, which means after 22 years, my agency goes under.

I was not coming here today to advocate for my agency, however, it has been such a big issue that was brought up here. I am not a political person, I never have been. I work with kids. That's why I do what I do, you choose what you do. But what I do know is I have the opportunity to make a difference. If I need to, as a consumer, as somebody who lives in this County, put a little extra money somewhere so we can continue to affect the lives as we do, I for one am willing

to do that. I don't know that the answer is sales tax, property tax, cigarette tax, alcohol tax, I really don't know. But what I do know is I get letters daily from people saying you've rescued yet another one. That opportunity may not be there if the budget passes the way that it is right now.

LEG. FISHER:

Maxine, I just want you to put me on the list.

LEG. POSTAL:

Okay. Go ahead.

MS. LAUBE:

I'm done.

LEG. FISHER:

What is your agency?

MS. LAUBE:

Human Understanding and Growth Seminars, also known as HUGS.

LEG. FISHER:

Oh, Hugs.

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LEG. POSTAL:

May I just ask --

LEG. FISHER:

And did someone ask you to come today?

MS. LAUBE:

I was -- I found out at a meeting last Thursday morning at 10:00 a.m. that although other agencies were cut out a little bit, my particular organization was cut out 100%. I took this organization on September third, so being the new director, I immediately went to see what it was that I could do to make some changes. I stopped by Legislators' Offices, I've made phone calls. Very much feel that I'm in a game of ping pong that I don't understand. I do -- I had heard from one of the Legislator's Office's about today's meeting. I asked people that I work with to come here, then I received calls saying, please don't ask them to come here, more specifically another day. And that's -- I really was coming up as an individual today, not as an agency representative.

LEG. POSTAL:

Okay. Legislator Foley, then Legislator Carpenter, then Legislator Crecca.

LEG. FOLEY:

Kym, thank you for alerting us to this oversight. Fred -- before I ask BRO a question, what parts of the County does your program serve, HUGS?

MS. LAUBE:

All of Suffolk County. Our administrative offices are on the East End of Long Island, primarily in Westhampton, however, we service schools all over the island.

LEG. FOLEY:

Primarily your services are more Eastern Suffolk County, primarily? Not exclusively, but?

MS. LAUBE:

Not exclusively, no. We do -- like, Sayville's a big school district with us, Port Jeff has been over the years. There -- I don't have the actual stats in front of me.

LEG. FOLEY:

Okay. Fred -- hey, Fred.

MR. POLLERT:

Yes.

LEG. FOLEY:

Mr. Pollert, if, in fact, this was as happens only on the odd occasion, but it seems to have happened here with this particular agency, do you have it anywhere on your list of agencies either for restoration or have it as simply funding it at the proposed level or was this simply a case where it did fall through the cracks?

MR. POLLERT:

Frankly, I would have to look it up. I don't know if it was cut in the omnibus or cut by the County Executive's Office.

MS. LAUBE:

My understanding was we were cut during the omnibus. That's why I --

LEG. FOLEY:

We're going to look --

MR. POLLERT:

It was cut in the omnibus according to Lance.

LEG. FOLEY:

Okay. We're going to take a closer look at this and see what could be done to try restore that particular agency. It would help if you gave us more background, programmatic background, to your agency.

MS. LAUBE:

I'm sure many of you have received some e-mails talking about our program, and I'll get more information out to you.

LEG. FOLEY:

And directly -- just for the benefit of the 18 Legislators here, just give a little more background as to how you work with school districts. Is it school districts the only groups that you work with?

MS. LAUBE:

Absolutely not. We're community based. We primarily deal with school districts, however, more importantly we are including community agencies into that piece.

LEG. FOLEY:

And what is it that you do with the school districts?

MS. LAUBE:

We run six weekend life changing seminars for high school kids throughout Southampton -- throughout Suffolk County. They're held on a little camp site on Shelter Island. We have no overhead. The administrative offices run out of my house. I am the only employee of the organization. We use volunteers. We impact lives, we touch lives, we deal with every life issue. I wish Presiding Officer Tonna was here. One of the things we talk about is dyslexia and the effects that that has. We talk about drugs, we talk about alcohol, we talk about pretty much every life issue that affects your high school students today. And you know and I know that there are many.

LEG. FOLEY:

One further question.

LEG. POSTAL:

Okay. Go ahead, but there are a lot of people who are still waiting to speak.

LEG. FOLEY:

I understand that. When you work with the school districts, are there

any fees that the districts -- school districts need to pay fees for service that they pay you?

MS. LAUBE:

There is. It costs each student that comes to our weekend, because it's three day, in residence, \$325 for each student that attends. That's not including what it costs our volunteers. What we find is that some school districts are able to pay and have paid over the years, and some can't and some won't.

LEG. FOLEY:

It's not really the school district, it's the participating student who pays.

MS. LAUBE:

Correct. It's the participating students.

LEG. FOLEY:

It's not the -- it's not the district who's paying for that particular service, it's the participating student who's paying for that service, correct?

MS. LAUBE:

Sometimes the school pays a portion of that out of their drug and safe free schools money.

LEG. FOLEY:

So in addition to the amount of money that's appropriated to the County budget, there are other additional revenues that are generated through your program.

MS. LAUBE:

I would -- the County gives us a stipend for 225 for each student. The balance of a \$100 is broken down and passed on. Some can't pay, we scholarship where we can. School districts will supplement, but that that's not many school districts that will do that.

LEG. FOLEY:

It would help -- again, not just e-mail, but as other contract agencies have done over a period of time, just give us in writing, if you will, the programmatic description; how the funds are generated, who's your service clientele and so forth and so on, okay? Because we need that information ASAP in order to see if there's any way we can put you back into the budget.

MS. LAUBE:

Yeah, 22 years we've been supported by the County, and I was --

LEG. FOLEY:

Okay. Please, put that together, because we can still help, okay? Thank you.

LEG. POSTAL:

Legislator Carpenter, did you have a question?

LEG. CARPENTER:

No. It was answered. Thank you.

LEG. POSTAL:

Okay. Anyone else with a question? Okay. Thank you. Our next speaker is Joseph Albertus.

MR. ALBERTUS:

Good afternoon. I'm representing the Brentwood Civic Association. And I want to commend you people for taking your time and really looking to the sales tax issue. We find that there's many people including myself that are on fixed incomes that this tax would affect. Each year we're all asked to do more with less, and it doesn't really work out. I also agree with Legislator Carpenter when she speaks about the visitors that come to Long Island for everything that we have to offer, and I feel that would be detrimental. It's one of the things that draws them there.

I also want to give you a little insight. I have 11 grandchildren. There's school clothes every year, there's Easter clothes, there's summer clothes, 11 kids. Some of them as young as six months old. We have to buy shoes for them, we have to buy socks, we have to buy pants and shirts. Just imagine trying to take just one for a \$100, you don't really get a lot of clothes for a \$100 for kid today. A pair of shoes cost about \$50, do that 11 times. Every \$8.50 that we would be paying on tax on that \$110 is a meal, maybe another pair of shoes for a brother or for a sister. So I urge you to hold the line on that, very simple. I was going to say more, but that really kind of breaks it down, because I think you people are going in the right direction, and I thank you very much.

LEG. POSTAL:

Thank you. Our next speaker is Andrea Vecchio.

MS. VECCHIO:

Good afternoon. My name is Andrea Vecchio, and I'm a member of Suffolk County Tax Pac. I am here to try to speak for a special interest, one that only gets paid attention to around election time, the Suffolk County taxpayer. The message to the Legislature and the County Executive is that spending should be cut before any thought is given to raising taxes. The sales tax exemption on clothing should not be repealed. It is important not only as a symbol of what sets this County apart from Nassau, but of an example of forward thinking and compassionate County policy.

The elimination of the tax on clothing under \$110 benefits those who

need it the most; young working families struggling to make ends meet. And they are holding on here for now, despite the worst affordable housing crunch anyone has ever seen. They are and will be the future of this County. County government and County funded agencies should be cut by whatever percent necessary to balance this budget. All the perks of County employment; the County cars, all the non essential travel, trips and seminars, the million dollars in Legislative member items, every privilege of County employment that can be reduced, should be. Just as every citizen in lean times must prioritize their spending, so should the County.

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In order to balance last year's budget, County property taxes went up by 14%. Overall sales tax was raised a quarter of a percent, auto registration, other fees were increased totaling \$10 million. And additional new taxes were levied on fuel and home heating oil. Now, enough. This budget proposal has got to be ratcheted down to account for the slow down in the economy. We have heard dire predictions of serious shortfalls in state, town and school budgets. True, mandated programs are still growing and still without corresponding state or federal funding. County governments have been dealing with this same situation for many years now. When things get tough, these costs always go up.

To a great extent, the County Executive and the Legislature have brought their current fiscal dilemma on themselves by refusing to lead by example. The fact is that Suffolk County's largest single expenditure by far is for police salaries and benefits, yet in 1999, immediately after re-election and with the police contract still under negotiation, the Legislature was offered and agreed to accept a 30% increase in their salaries. The police won a new contract that gave them a nearly 20% increase. The average Suffolk policeman now makes \$105,000 a year. And last year's County property taxes went up to pay for this.

LEG. POSTAL:

Ms. Vecchio, I'm sorry, your time is up. I have a couple of questions for you.

MS. VECCHIO:

I have one more -- just one more paragraph.

LEG. POSTAL:

Sure. Go ahead.

P.O. TONNA:

Hold it. I'm going to need ten votes, so I'd ask Legislators to come just to extend the public portion for 15 minutes. I make a motion,

seconded by Legislator -- 15 -- ten, okay we'll go for ten minutes, because we have one more speaker after this. All in favor? Opposed? It's myself and Legislator Caracappa. Thank you.

MS. VECCHIO:

Thank you. Perhaps the Legislature could be into demonstrating their leadership by cutting their salaries by whatever percent they deem necessary to balance this year's budget. The buck cannot continue to always stop with the taxpayer. In hard times, taxing the people even more is a recipe for disaster. On Long Island, the problem remains that the public payroll grows as private sector jobs continue to disappear. There is no longer a defense industry or much of a manufacture base --

P.O. TONNA:

I can't give you anymore -- I can't give you anymore of an opportunity than anyone else. You have the time to conclude your argument, there'll be questions. Legislator Postal.

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LEG. POSTAL:

Ms. Vecchio, are you aware that the omnibus approved by the Legislature does not raise or restore the sales tax and, in fact, reduces the proposed property tax increase in the general fund to zero? Are you aware of that?

MS. VECCHIO:

No.

LEG. POSTAL:

So that we were obviously very cognizant of --

MS. VECCHIO:

That's wonderful.

LEG. POSTAL:

-- of what the taxpayer had to do. I have some other questions. I know you worked at the Legislature, isn't that true?

MS. VECCHIO:

Yeah.

LEG. POSTAL:

What were your responsibilities at that time?

MS. VECCHIO:

I was a part-time Legislative Aide to Joe Rizzo.

LEG. POSTAL:
But what did you do?

MS. VECCHIO:
I went to hearing and made reports to the Legislature and did what everybody else does.

LEG. POSTAL:
Did you get benefits?

MS. VECCHIO:
Yes, I did.

LEG. POSTAL:
So you worked part-time, you had benefits. May I ask how much you were paid.

MS. VECCHIO:
I was making approximately \$20,000 a year.

LEG. POSTAL:
And how many hours a week did you work?

MS. VECCHIO:
I worked 17 and a half hours.

LEG. POSTAL:
So you worked 17 and a half hours, you got about \$20,000, plus full

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benefits. If you were working, for example, at this time under those circumstances, is your's a job that you feel we should have cut in the interest of keeping taxes down?

MS. VECCHIO:
Yes.

LEG. POSTAL:
Did you -- so did you feel at the time you were working at that job, did you feel it was unnecessary to keep taxes down, and therefore, you should be working?

MS. VECCHIO:
Well, to be perfectly truthful and honest, I understood that mine was an appointment and that when Mr. Rizzo retired, that my job was probably going to go the way of, you know, patronage appointments. I'm also very aware that that doesn't happen very often. So I came and I went.

LEG. POSTAL:

It happens all the time. But, you know, I'm just suggesting that if your suggestion has to do with exempt employees, I just can't see the consistency. And if you could explain the consistency in your being willing to work a part-time job for \$20,000 a year plus benefits, when you're suggesting that by employing other employees who were in the same position, we're disregarding the interest of the taxpayer. Could you explain to me why those two things don't contradict each other?

MS. VECCHIO:

Why do you think they do?

LEG. POSTAL:

Because I think that if you're suggesting there are employees work both here in the Legislature and elsewhere in County government who are unnecessary and don't perform a vital job and that our responsibility to the taxpayer should necessity our eliminating those jobs, then I can't understand how in good conscience you worked at one of those jobs. And especially in times when I can't say that there has been any time when taxpayers could manage to pay extra taxes for unnecessary work. I just would be interested. Explain to me why your job was different from any of the other jobs you're suggesting we should cut.

MS. VECCHIO:

I didn't say my job was any different. I also said I was perfectly willing to go when it was time to go.

LEG. POSTAL:

Why did you take the job?

MS. VECCHIO:

I thought there was something that could be done to represent the taxpayer in this body.

LEG. POSTAL:

And there wasn't, you're telling me?

MS. VECCHIO:

Not enough, no.

LEG. POSTAL:

Why didn't you resign after -- did it take you three months to discover that? Did it take you six months to discover that? When did you discover that your job did not aid the taxpayer? Was there a point in time that you discovered that or was it at the time that

Legislator and former Presiding Officer Rizzo retired?

MS. VECCHIO:

No. The whole time I was there, I thought that there was something that I could do that would be worth while that maybe would make a difference.

LEG. POSTAL:

But you weren't sure.

MS. VECCHIO:

No, I guess I wasn't sure.

LEG. POSTAL:

I have no more questions. Thank you, Ms. Vecchio. If anybody else has a question?

LEG. NOWICK:

I do.

LEG. POSTAL:

Was that Legislator Carpenter or Legislator Nowick?

LEG. NOWICK:

Just a point of clarification.

MS. VECCHIO:

You know, I really wish you would also clarify that everybody else that came up here is on the County payroll as well in one way or another. Nobody asked me if I was invited here by anyone, because everyone knows I probably wasn't.

LEG. NOWICK:

I'm sorry. I just needed a point of clarification, something I wasn't aware of. Maybe Fred knows the answer to this. Is that the norm? Do part-timers usually get benefits?

MS. VECCHIO:

I don't know.

MR. POLLERT:

Part-timers normally get benefits if they work more than half time or if they exceed a dollar threshold amount worth of salaries.

LEG. NOWICK:

More than the 40 hour -- what it a 35 hour week or 40 hour week?

MR. POLLERT:

They would have to work more than 17 and a half hours or they would have to reach a certain threshold to be eligible for the health benefits and the other benefits.

LEG. NOWICK:

What's that threshold amount?

MR. POLLERT:

New employees have to work 51% percent of the time to receive the benefits. And the average cost of a benefit is roughly \$8000, Lance?

MR. REINHEIMER:

The average cost for health insurance is about 7500 and then there's benefit fund contribution, which is a \$1030 per year.

LEG. NOWICK:

So you would have to work at least 20 hours a week is that -- or else your salary as to be higher than a certain level, is that what you were saying before?

MR. POLLERT:

Yes, that was my understanding, but I don't know that has changed with the new employees. I know that Jeff Tempera is here.

MR. BARTON:

There's an all department heads memorandum that went out a couple of years ago; part time employees have to be approved by the Director of Labor Relations, and with the new contract, it's my understanding that the employees have to work their first year 37 and a half hours a week rather than 35.

LEG. POSTAL:

Legislator Carpenter has a question.

MR. BARTON:

Yes.

LEG. CARPENTER:

Andrea, I just want to ask you, did you suggest that as one of the initiatives that we could undertake that we eliminate or curtail travel? Did you suggest that?

MS. VECCHIO:

No, not eliminate or curtail any of this, but to just cut it to where it would balance the budget, where it would not cause a tax increase.

LEG. CARPENTER:

Okay. Because I know the point was made that you did work here at the Legislature for a previous Presiding Officer. And in the time since

you've been here, they have, I guess practically, and the Presiding Officer could confirm this, but all -- almost all travel has been eliminated as far as trips and everything. So there really have been a number of initiatives that have been taken.

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MS. VECCHIO:

I'm very glad to hear that. And I have to say that I liked your idea about if necessary, cutting the exemption to limit it to \$50, because I think that would still help a great majority of the people that really need it.

LEG. CARPENTER:

Thank you, and thank you for coming down.

P.O. TONNA:

All right. Next, Janine Nelson? I don't -- Nebons. It could be a "b" or it could be an n-s-o-n. All right Janine. Sorry. Sorry about that.

MS. NEBONS:

That's okay. Good afternoon, Presiding Officer Tonna and Deputy Presiding Officer Postal. Ladies and Gentlemen of the Suffolk County Legislature, my name is Janine Nebons, and I'm the general manager of the Tanger Outlet Center in Riverhead. I'm here today to express strong support for the Legislature's previous adoption of the omnibus 2003 budget, which maintained the elimination of sales tax on clothing and footwear priced under \$110 for at least next year. We believe that our destination outlet center in Riverhead, which attracted over 70%, that's over 70% of our shoppers from outside Suffolk County, and we are perhaps the single best indicator of the realities of what tax free shopping means in Suffolk County.

The tax free message along with the bargain hunting message acts as the single largest motivational factor to draw people to Exit 73 in Suffolk County. Of equal importance is the fact that the outlet center acts as an engine for the explosive growth to the East End economy generated by additional tourism business to the Riverhead area and well beyond our borders to other parts of the East End of Long Island. The average shopper is indeed attracted by tax free sneakers at Nike, but they don't stop there and leave, they by quadruple the amount of merchandise, which is fully taxable right across the parking lot. They eat at restaurants that are fully taxable, they buy gasoline to take them home. They take the kids to the aquarium, the tour the wineries, and they come back again and again, because they love the experience and they like the tax free message and the bargain hunting that we offer them.

If we were to eliminate the tax free message, I can pretty much count on eliminating one of the major reasons for seven million people to come visit in the first place. Quantitative analysis that we've presented to the County Budget Office paints a very clear picture. Any potential and immediate short term net increase in sales revenue to the County could ultimately about counteracted by a negative shift in the destination shopper base that ultimately causes an overall net loss in the total sales tax revenue to the County. It is no coincidence that in March of 2000, the number of shoppers coming from outside Suffolk County increased significantly and that East End tourism began to enjoy a record breaking string of successes. And it is also no coincidence that at the same time, the number of shoppers crossing the bridges and tunnels to New Jersey and Pennsylvania receded significant, motivating more shoppers to head east on the Long

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Island Expressway to shop tax free in our County.

The dynamics of our market are very unique and also very important to the overall health of the regional economy. Any loss of the ability for us to market the tax free advantage will serve as a negative blow to the overall sales at our center. We believe that the tax free message has allowed us to outperform the national sales trends by a large margin in terms of comparative sales year to year. Yes. Out in Riverhead, in the Tanger Outlet Center for the past 12 consecutive months, we have never had a negative comparison in comparative sales, and that is because the traffic that comes into our center and the volume of sales that we are able to produce overall have allowed us to enjoy one of the best records that there is in our industry.

The loss of the tax free message will undoubtedly diminish our sales, and more significantly, it's going to diminish our ability to attract the top brand name manufacturers outlet stores to come and open in Riverhead. The loss of the tax free message is going to reduce our ability to attract and entertain the highly coveted Nassau County and metropolitan New York consumers who are counted among the highest in terms of their ranked disposable income in terms of consumer shopping in the United States. We urge the Legislature to cautiously weigh any possible immediate gains against the huge potential for wiping out those gains simply because we would send away millions of non residents who do come shop for 9.99 pair of pajamas at Carters and then they go across the parking lot and spend \$350 on merchandise that is completely taxable.

P.O. TONNA:

Janine, I have to ask you a question, and I have to vote on right now to extend the public portion.

LEG. CARPENTER:
I'll make that motion.

P.O. TONNA:
Second by myself for ten minutes. All in favor? Opposed?

LEG. TOWLE:
I have a question.

P.O. TONNA:
Okay. I'd rule that it's by the way 4:40 or whatever. Thank you.
Just wait. Janine, I see that you have a lot of information, so I'd
like to hear -- or ask you the question of maybe you could finish up
by telling us what's really on your mind?

MS. NEBONS:
Yes. I will finish up by telling you that I think that you should
think very carefully be the goose that laid the golden egg at my
driveway at Exit 73. I think you should think about the East End
restaurants, the wineries, the farm stands and the hundreds of local
businesses all across Suffolk County, not just Tanger Outlet Center in
Riverhead. It is the residents that live in this County that are the
life blood of our economic health, and they're the same residents that
operate the restaurants, they work the farm stands and wineries and

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their kids work their way through college with jobs at our center and
the local tourist attractions. These businesses have gone along for
the ride with the rest of us since March of 2000, and they clearly
demonstrate the multiplier effect of our tax free message. We urge
you to be very careful and thoughtful in your approach. And on behalf
of everyone in the Tanger organization, I do thank you for your time
and thoughtful consideration.

MR. BINDER:
Mr. Chairman.

P.O. TONNA:
We have a questions, and we have a whole list. And Legislator Binder,
I'd have no problem even putting on you on that list. Legislator
Carpenter. It's going to go Carpenter, Fields, Foley, Towle,
Caracciolo, Lindsay, Binder.

LEG. CARPENTER:
Janine, you stated that 70% of the shoppers at Tanger come from
outside Suffolk County.

MS. NEBONS:

That's correct.

LEG. CARPENTER:

All right. And I did hear you say seven million visitors to Tanger.

MS. NEBONS:

Seven million people. We attract between ten and 12 million visits per year. We measure every car coming into the center. The car count running has been about 5.3 million. Our industry uses a multiplier that says there's \$2.6 million per car. Seventy percent, according to our zip code analysis, and that is the traffic that we are able to track that come into this center, equates to almost -- nearly 70%.

LEG. CARPENTER:

Okay. So then that seven million is something that I did hear.

MS. NEBONS:

Seven million people are from outside of the County.

LEG. CARPENTER:

Seventy percent of seven million visitors would translate --

MS. NEBONS:

No. 70% is seven million.

LEG. CARPENTER:

All right. Okay. So it's even more that I thought. So seven million visitors.

MS. NEBONS:

You need a passport to shop at Tanger on Saturday.

LEG. CARPENTER:

How long has Tanger been there?

MS. NEBONS:

Tanger opened in May of 1994.

LEG. CARPENTER:

And the sales tax exemption on clothing has been in place --

MS. NEBONS:

Since March of 2000. We had a couple of tax free weekends in 1998 and 1999.

LEG. CARPENTER:

And some of the outlets, and I would venture to guess the higher ends

outlets, have not only come there, stayed there, but expanded there, namely Polo. Did they not built --

P.O. TONNA:
Is that correct?

LEG. CARPENTER:
That's my question. Did Ralph Lauren --

MS. NEBONS:
Polo is new. It was new. They made it in right around the time the sales tax was eliminated on clothing and shoes.

LEG. CARPENTER:
But they has originally -- were they not originally there and then --

MS. NEBONS:
No.

LEG. CARPENTER:
Quadrupled their space?

MS. NEBONS:
No. They had Polo Jeans over in Tanger II, but not a Polo Factory Store.

LEG. CARPENTER:
What about Coach?

MS. NEBONS:
Coach has expanded, and it's fully taxable.

LEG. CARPENTER:
What about Pottery Barn?

MS. NEBONS:
Pottery Barn is new and fully taxable.

LEG. CARPENTER:
ABC Clothing Warehouse?

MS. NEBONS:
ABC Home Furnishings?

LEG. CARPENTER:
Right.

MS. NEBONS:
Is new and fully taxable.

LEG. CARPENTER:
Thank you.

P.O. TONNA:
This is a woman who knows her shopping. I am impressed.

LEG. CARPENTER:
The only thing that's missing that I really would hope that you would aggressively pursue, and it might be because of the fact that they're in Southampton, but this too is fully taxable.

P.O. TONNA:
Fruit of the Loom underwear?

LEG. CARPENTER:
No. Dansk. The Dansk outlet. Would they not come there because of their close proximity --

MS. NEBONS:
Of course it's fully taxable.

LEG. CARPENTER:
I know Dansk is, but Dansk is not at Tanger last time I was there.

MS. NEBONS:
Danskin is at Tanger.

LEG. CARPENTER:
No, not Danskin. Dansk.

MS. NEBONS:
Dansk, the china people. That's fully taxable, and they can't open up a store because they want to be attached to Lenox, and we have restrictions because of Mikasa. Now you know all of our dirty laundry.

LEG. CARPENTER:
Okay. Thank you.

P.O. TONNA:
Talking about dirty laundry. Legislator Fields, you're next.

LEG. FIELDS:
Am I talking about --

P.O. TONNA:
No. I was going to talk about Fruit of the Loom. We'll talk about

that later.

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LEG. FIELDS:

Janine, would you support any legislation that would put money into advertising the tax -- the exemption of sales tax in Suffolk County?

MS. NEBONS:

I don't think that's necessary. I think each retailer, it's their own responsibility to do their marketing and advertising. There's not a print add, whether it's in a newspaper or magazine, direct mail piece that ever leaves and hits on Long Island and New York that doesn't have our tax free message. We consider that to be one of our major assets. It's so important, it's part of the Riverhead logo. It's up to each individual business, I believe, to market the tax free advantage. I don't think that it's necessary for the County to do that or to set aside funds. But we spend close to a million dollars a year advertising, and every single piece that goes out has the tax free message. And if other businesses don't take advantage of that, then they're foolish.

LEG. FIELDS:

But your message goes out to whom?

MS. NEBONS:

Our message goes out all across the Long Island and in the New York City DMA, which is the media's designated market area. That's the term.

LEG. FIELDS:

Okay. Thank you.

P.O. TONNA:

Okay. Thank you. Legislator Foley. Question.

LEG. FOLEY:

Thank you, Mr. Chairman. Welcome to -- I know you would have preferred if we had this meeting out in Riverhead, but here we are in Hauppauge, and I thank you for coming.

LEG. CARACCILO:

Brian, just a quick interruption, it's so appropriate. I think Legislator Carpenter would have preferred if the meeting was in Riverhead.

P.O. TONNA:

After Thanksgiving. After Thanksgiving.

LEG. FOLEY:

Very good. Very good. Given that in the past there was a sales tax and you had first broken ground, if you will, in Riverhead while there still was a sales tax on clothing, and a proportion of the sales -- well, the sales tax monies that were generated went for some, we believe, an important public purpose. Now with that sales tax eliminated, and you've mentioned to us that profits have never been better both for you as a landlord and for your tenants, what I'd like to know, if you have an answer today, if not, certainly if you can follow-up in writing, is that with this elimination of the sales tax and, therefore, elimination of a revenue source we can use to serve

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the public in a variety of ways, and since you and your tenants have received additional profits, because as you say, the sales tax is eliminated, how have you and your tenants responded in giving to the local community? How have you given to a variety of community service organizations? How do you -- have you -- how do you gauge that the proportionate increase in profits that you realize since the sales tax has been ended, have you given -- is there a mathematical equation as to giving a portion of that back to the community, either back to the local community, back to the Riverhead, community back to -- somehow of the monies that we lost in some ways, how can you use your good offices to try to plow some of that back into the local community organization?

MS. NEBONS:

That's an excellent question, and it gives me the opportunity to share with everyone that tomorrow evening I'll travel up to the Crest Hollow Country Club to receive an Excalibur Award from the American Cancer Society for raising over \$250,000 this year which is donate with the expressed purpose of the money being put back on Long Island. In addition, each and every year, since 1994, so that makes this eight successful years, we run an educational rebate program where when our -- when school children and their families shop at our center, they collect their receipts, and we write a check for 10% of those sales back to each individual school, and that money can be used any way the school chooses. This year in our program we had over 34 elementary schools, nursery schools, college, I believe, high school.

P.O. TONNA:

I have to interrupt you for a second. I'm also making a ruling that it's only 4:50, and I would ask the extend public portion for another -- 3:50 and ask -- motion by Legislator Guldi, seconded by myself to four o'clock. Thank you. All in favor? Opposed?

LEG. BISHOP:

Opposed.

LEG. FOLEY:

If you could continue, please.

MS. NEBONS:

Since I have been there, certainly we -- every request that we've received from local not-for-profit organizations, we honor those requests, we try and have a 100% yes response rate to support each and every organization. And I would be more than happy to provide your office with a complete list.

LEG. FOLEY:

I'd love to have that.

P.O. TONNA:

Thank you.

LEG. FOLEY:

Thank you.

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MS. NEBONS:

I'd be happy to do that.

P.O. TONNA:

We have four more people asking questions. We have nine more minutes, eight minutes, seven minutes. Legislator Towle.

LEG. TOWLE:

Thank you, Mr. Chairman. Janine, I appreciate you coming down here, obviously today. You've been to the Legislature on numerous occasions to talk about this issue. I think that number of 12 million was very interesting. In fact, if we charge each of those people \$5.00, we would wind up coming up with a little more than I guess the County Executive is proposing in the sales tax.

MS. NEBONS:

How about a toll booth at Exit 73.

LEG. TOWLE:

It's a thought. Okay, Legislator Caracappa, you are awake in here.

P.O. TONNA:

I know we have one in Smith's Point that's being renovated.

LEG. GULDI:

Only takes quarters.

LEG. TOWLE:

We've paid that park seven times over. What was the number before the 12 million? Two years ago, do you remember your figures back then?

MS. NEBONS:

The number before?

LEG. TOWLE:

Yeah. You're saying you're about 12 million now visitors in total, what were you doing back then?

MS. NEBONS:

We probably had about an annual growth rate of seven or 8%, and somewhere in the single digits, I would guess. I'd have to look at it. I could get you that information.

LEG. TOWLE:

That's a very good starting point. About three or four weeks ago, I was in Manhattan, and I happened to pick up one of their tour guide books to look at some of the things to do in Manhattan while we were there to see a show. And I notice that you had an add in that particular magazine encouraging people to come out and obviously using the sales tax theme exemption as your premise to encourage people to come out here and shop to the Island. What do you spend a year, do you think, in advertising particularly that theme in Suffolk County?

MS. NEBONS:

Well, every bit of advertising we do for Riverhead has the tax free message. It's somewhere in the neighborhood of \$1 million.

LEG. TOWLE:

Over a million dollars promoting that message. Okay. You know, not to put it on a scale of one to ten, but obviously you are someone in the industry and can really look at the impact that this has had on your industry and your business. What -- you know, on a scale of things that have happened from one to ten, where do you see this as a promotional tool or a tool to encourage people to come out and shop? Because you hit the nail right on the head earlier when you said how many people are going to come out to buy the items that are sales tax free and also but four or five items that have sales tax on them. This is a guesstimate, the \$57 million. If the economy takes a turn in the tank next year and people don't come out and buy as much footwear and clothing that are under \$110, that number might not be here as well as the residual of that. But, i mean, what do you think on a scale of one to ten that that's played some role in your extremely positive success over the past two years?

MS. NEBONS:

It's a ten in terms of a tool. It's a very important message that -- it's an emotional and psychological message. I mean, since September 11th, tourism in general throughout the country in every major metropolitan area has taken a terrible terrible hit. We on the other hand, have benefitted enormously as a result of people thinking twice about going across a bridge or through a tunnel. More and more people from Queens and Brooklyn, certainly Connecticut that are coming over by ferry, you know, are coming to the East End of Long Island. And they're choosing -- they want a family destination, and they're coming out and they're spending money, they come and buy 9.99 pajamas at Carters, and they feel so good. Then they go to Reebok and they get a pair of sneakers that cost 29.99, and they're ready to get more money out. They say 29.99, the clerk says, oh, there's no sales tax on clothing and footwear. They are elated. They go running across the parking lot to Polo and spend a \$1000 on fully taxable towels. You've gotten back all your money and then some. You eliminate this little dinky four and a half percent sales tax on clothing and shoes, and you kill the goose that laid the golden egg. There's no reason to come to Riverhead, you can go outlet shopping in New Jersey. We've clobbered New Jersey every since we've been tax free. We've clobber the buses going to Pennsylvania. You need a passport to go to Tanger on the weekend, it is that full of people that come from all around the New York metropolitan area and friends and family visitors on Long Island, which the Long Island CVB has told you a lot about. That's out tourism market.

LEG. TOWLE:

When people come to your facility, I'm assuming -- I've seen it first hand, so I know the answer to the question, but I want to ask you anyway, you obviously promote other facilities throughout Suffolk County so that when people come out to shop, there are obviously other things you're referring to them, whether it's the wineries or Splish Splash or things like that?

MS. NEBONS:

We feel that the other attractions are so important that we produce I think about a half a million coupon books a year. In the back of that coupon book, we invite every restaurant, hotel, winery, shop,

boutique, you name it from the East End to participate in our coupon book. I think if some of my partners that are in that coupon upon book were to come now, for example, Splish Splash Water Park, Atlantis Aquarium, or Cross Sound Ferry, I know for a fact, Cross Sound Ferry, over 1,000 people have used his ferry to go back and forth to go to Pottery Barn sales from southern Connecticut. They don't just go to Pottery Barn, Pottery Barn is fully taxable anyway. You have to

really think long and hard about what portion you're losing when you're talking about apparel and shoes that are priced under \$110. That is the key piece of why this particular sales tax advantage is so critically important, because I think that in the end, if you are going to say, well, the clothing and shoes is going to generate "X" number of dollars, whatever the projection is, yes, that's right, it will. But now, you kill all the reason for coming out to Riverhead and going to Pottery Barn. And people spend four times as much on non apparel, four times as much.

LEG. TOWLE:
You mentioned --

MS. NEBONS:
The average car spends, you know, \$350.

LEG. TOWLE:
You mentioned the bus trips, that was one of your talking points when you supported the bill originally, about bus trips off of Long Island. In fact, Legislator Carpenter, I think, talked about having taken a few of those trips to Pennsylvania to shop.

LEG. CARPENTER:
Not on the buses, driving my car.

LEG. TOWLE:
Not on the buses, but to Pennsylvania nonetheless. Have you seen that type of, you know, activity here, people wanting to come via organizing trips?

MS. NEBONS:
Yes, we do a significant amount of bus business. We do. Yes.

P.O. TONNA:
Okay. We're going to have to extend this meeting again. We're going to have to extend the meeting again.

LEG. CARACCILOLO:
Motion.

P.O. TONNA:
Okay. Motion to extend by Legislator Caracciolo, seconded by myself for another ten minutes until -- I rule ten after. Look at that, creative --

LEG. BISHOP:
Opposed.

P.O. TONNA:

Ten after four. Okay. And Legislator Towle still has the floor.

LEG. CARACAPPA:

I'm opposed.

LEG. BISHOP:

Two opposed.

P.O. TONNA:

Legislator Caracciolo and Legislator Lindsay, we're scratching you off the list?

LEG. CARACCIOLO:

Thank you. Hi, Janine. A lot of the information you've -- you've -- that were included in your remarks, it would be very helpful if you can put them in hard copy in terms of facts and figures so that people could have it as a ready reference, not only for this occasion, but in the future when this issue may have to be revisited. That said, I want to start with the idea of what thought have you and the Tanger Organization given to the possibility that the state, as a result of its \$10 billion budget deficit may consider the elimination of sales tax on cloth ing and footwear?

MS. NEBONS:

Well, I think it's a possibility. We will lobby just as hard up in Albany as we do right here in Hauppauge to try to make sure that doesn't happen.

LEG. CARACCIOLO:

I would encourage you to begin that immediately. And I encourage you when you do that to reach out to all of your partners in the other business community areas to make sure that they understand this is not about your center losing out, it's not about the 1.4 million residents of Suffolk County losing out, but it's about -- how many employees work at Tanger?

MS. NEBONS:

Two thousand.

LEG. CARACCIOLO:

Two thousand. So what has to be take into consideration, if there is a drop off in consumer spending in Suffolk County as a result of this, and we don't know if there will or there will not be, but if there is, it could impact us in other ways. We could loose out on payroll taxes or at least the state can. We can lose out in other sales taxes that we collect in the merchants that you've already mentioned. And I'd be curious to know if you keep any kind of data that you could share with us as to what are your annual gross sales at the center.

MS. NEBONS:

We have plenty of data, but we wouldn't share that. Sorry.

P.O. TONNA:

Okay. Here we go. Oh, you're still going? Still questioning?

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LEG. CARACCILOLO:

Of course. Of course.

LEG. CARPENTER:

Of course. A horse is a horse, of course.

LEG. CARACCILOLO:

What would be -- I think you mentioned that, you already gave this answer, but I want to make sure. You said there was approximately \$350 per average sale at Tanger.

MS. NEBONS:

It's approximately \$350 per car, so you guys can do the math.

LEG. CARACCILOLO:

Per car?

MS. NEBONS:

Per car.

LEG. CARACCILOLO:

About ten to 12 million visits a year?

MS. NEBONS:

That's correct.

LEG. CARACCILOLO:

Okay. Because it would be very helpful if we could get some real hard data that's been absent from the State Department of Finance and Taxation so that we really could understand whether or not the projection of 58 of \$70 million for 12 month annualized period is a real number.

MS. NEBONS:

Well, without compromising confidentiality, you know, at any given point in time, if you'd like us to give you a call to come in and try to help you understand the numbers, I would be willing to do that.

LEG. CARACCILOLO:

Okay. Now, Tanger is not the only shopping outlet in the County,

there are many others. Most people think it's just Tanger and Bellport, but there are a lot of other stores that operate as outlets. Do you have any idea how many businesses would be in that category?

MS. NEBONS:

Well, not in terms of an outlet center. I mean, we act as a regional mall as well as a destination outlet center. I mean, you certainly -- we would be remiss to not include Walt Whitman and Smithaven, a couple of malls along the South Shore that are major destination shopping centers. Of course, then you have probably at least a hundred power centers that have sort of popped up all across Long Island with the bankruptcy of Caldor, and you had a huge entrance of Kohl's and Target and WalMart. And all of that's happened since we passed -- or since you passed the sales tax legislation. It really changes the landscape dramatically.

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LEG. CARACCILOLO:

Absolutely. I think you can't ignore the fact that if you go back and repeal this tax, that those very businesses as well as your's -- what is it 150 now outlets? How many?

MS. NEBONS:

One hundred and seventy.

LEG. CARACCILOLO:

One hundred and seventy. The largest in the nation, I believe.

MS. NEBONS:

Uh-huh.

LEG. CARACCILOLO:

How they would be impacted, and the how their employees would be then impacted and how payroll taxes could be impacted. So this is not an isolated issue, and it really has to be taken in a much broader sense as to what the real financial impacts would be to government at the state and county level if this tax is repealed.

MS. NEBONS:

It's a tourism factor that I would consider it that way, in that classification.

LEG. CARACCILOLO:

I will take you up on the invitation to come in.

MS. NEBONS:

Okay. Please do.

LEG. CARACCILO:

To get some more information, because I'm very interested in your zip code analysis. Okay. Thank you very much.

MS. NEBONS:

Okay. You're welcome.

P.O. TONNA:

Thank you. And Legislator Binder, we've run out of time. Sorry. No, I'm joking. Legislator Binder, and then after that, Legislator Carpenter again.

LEG. CARPENTER:

Quick very. Quick.

P.O. TONNA:

Go ahead, Legislator Binder.

LEG. BINDER:

Thank you. Do you think that we should aggressively seek a compromise to lower the amount of from 110 to 50, 40 or some lower number? Do you think that would be good? Or that would be good for Tanger or for sales?

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MS. NEBONS:

I'm not sure. I'm here today to make sure to keep what we've got. I'd like to think about that. And I'd be more than happy to share my thoughts with you after we do that. This is -- this issue in particular is not -- this is an all or nothing game. You can't say you're half tax free. We say tax free shopping with an asterisk and then it says for clothing and shoes up to \$110. If you want to lower that bar, you know, to 50 bucks or whatever that number is --

LEG. BINDER:

I have a concern about it. I actually think --

MS. NEBONS:

I mean, I don't know. I haven't really thought about it.

LEG. BINDER:

I mean, my thought is we should probably even raise the bar, because the more people that would come here, the more -- the sweeter the pot, the more is the effect is what you're talking about, going to Pottery Barn and all this stuff. So I'm on the side. And I would think that that would be a problem by lowering it.

MS. NEBONS:

Right. But in terms of the overall messaging, that's what's key here, you know, it's shop tax free.

LEG. BINDER:

It might get to a point that it gets low enough, it's not worth it anymore.

MS. NEBONS:

Well, you don't want it to be idiotic. I mean, you don't want the consumer to feel like they've been ripped off. New York City, is as somebody pointed out earlier today, you know, with all of the problems that the Mayor has in New York, if anybody's got an excuse to reinstate sales tax, it's him. And they're not going there, because it's an important -- it's too -- it's too important or basic for tourism to have that advantage.

LEG. BINDER:

At a certain point it gets so low that it's not worth the trip for these items that are too inexpensive (sic), so it's probably not worth it.

MS. NEBONS:

Exactly. Exactly.

P.O. TONNA:

Thank you very much. Legislator Carpenter.

LEG. CARPENTER:

Janine, in your experience with marketing and advertising, would you say that -- which would attract a consumer, the shopper, the spender more, to say tax free shopping on items up to 110 per item, or 10% off all clothing and shoes?

MS. NEBONS:

You mean -- no. As a sale? You mean as a sale?

LEG. CARPENTER:

Right.

P.O. TONNA:

What's more attractive?

LEG. CARPENTER:

Which would entice them to come in more, the fact that they're not paying sales tax or if you were giving them a 10% discount?

MS. NEBONS:

Sales tax.

LEG. CARPENTER:

Thank you.

P.O. TONNA:

Because they're going to get that anyway. Okay. Legislator Alden has a question.

LEG. ALDEN:

I wanted to ask Legislator Caracappa. This is what he had in mind when he had put that bill in.

LEG. CARACAPPA:

Yes, good point.

P.O. TONNA:

All right. Thank you so much. I appreciate it very much.

MS. NEBONS:

Thank you.

P.O. TONNA:

Okay. And --

LEG. BINDER:

Motion to close the public portion.

P.O. TONNA:

Seconded by myself. All in favor? Opposed? Public hearing is closed. With three minutes to go. Okay. Now everyone's telling me let's go, let's go. No. We're going to make motions, and once we have those motions, any Legislator wants to ask anything that they can.

LEG. ALDEN:

Now we can debate the bill.

LEG. BINDER:

Now we can debate the bill.

P.O. TONNA:

Okay. I would ask --

LEG. GULDI:

Why don't you ask if there's a motion?

P.O. TONNA:

I would like Legal Counsel just to address the two bills that we have in front of us from the standpoint of can we vote on any of these things.

MR. SABATINO:

The bill that's eligible for a vote, Mr. Chairman, is 2237 for which the Certificate of Necessity was issued. So 2237 is the bill that's before you.

P.O. TONNA:

Okay. Fred, I'd like also before we -- okay. I'll make a motion to -- no. There's got to be a motion. You've got to vote it.

LEG. CARPENTER:

If we fail to address it --

P.O. TONNA:

Hold it one second. There's a question of Legal Counsel.

MR. SABATINO:

If there's no motion, no second -- if there's no motion, no second, then bill is defeated.

LEG. CARPENTER:

It's defeated, it doesn't go to committee?

MR. SABATINO:

No, because it will be beneath the ten vote requisite.

P.O. TONNA:

And of the two -- the considering of the second one, we cannot consider because there's a technical flaw, right?

MR. SABATINO:

The second one would require a corrected copy, which would also require a Certificate of Necessity. 2237 makes the requisite change that 2046 doesn't have. So the right bill to vote on is 2237.

P.O. TONNA:

And 2046 is the bill that we voted down last time, right? That was the original bill that came over with the --

MR. SABATINO:

Right. That was defeated.

P.O. TONNA:

Okay. Okay. So we're going to make a motion and a second and then see where we go.

LEG. TOWLE:

Mr. Chairman, if I could just --

P.O. TONNA:

Well, there has to be a motion to debate something.

LEG. TOWLE:

I actually have a question before you make a motion. Question was in reference to the two staff --

P.O. TONNA:

Of Legal Counsel.

LEG. TOWLE:

Well, of yourself actually. I consider you my Legal Counsel as well.

P.O. TONNA:

I might be Legal Counsel, but I'm not an attorney. Joking.

LEG. TOWLE:

That's true. I wasn't joking, I was serious. The two individuals who apparently shared a lot of information with some of the social service, health agencies are they here now to appear before the Legislature before we vote on this?

P.O. TONNA:

I have absolutely no idea. I mean, I think if we have a motion, then you can ask and request somebody from the County Executive.

LEG. TOWLE:

I did, three times.

P.O. TONNA:

Okay. Hold it one second.

LEG. FOLEY:

Even before we're going to make the motion -- even before there are motions to be made --

P.O. TONNA:

Let me ask Legal Counsel how we can do this. Am I allowed, I guess, to rule or whatever else that we can ask a couple of questions of somebody even though we don't have a bill in front of us or whatever else? Tell me how to do this by the rules, that's all I want to know.

MR. SABATINO:

You're just trying to get public information. These are County

officials, you're free to --

LEG. TOWLE:

Let me help you out if I could, Mr. Chairman. Apparently, these individuals who have not taken part in the budget process over the last five months, as I have and many of my colleagues, have more information than we do in order to encourage people to appear before the Legislature today and call Legislators at their district office and tell us we have to do this in order to save their agencies. And I

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thought since they have so much information to provide to the general public, that maybe they can appear here today and provide that information to us. I'd love to hear what they have to say.

P.O. TONNA:

Since our Legal Counsel has ruled that you can make any request of people to come up and speak, Legislator Towle, do you have a request?

LEG. TOWLE:

Well, Tom is here. I guess why don't start with him. I don't know where Anne Arthur is, but. Todd, is Anne on her way over, or what's the story?

P.O. TONNA:

Why doesn't he come up on the record and answer the questions that you have, and I'm sure we'll about able to go from there.

LEG. TOWLE:

Tom, good afternoon. How are you?

MR. MACGILVRAY:

Good afternoon.

[SUBSTITUTION OF STENOGRAPHER - DONNA CATALANO]

LEG. TOWLE:

Earlier this afternoon when you were not here, members of the public, particularly representing health care agencies testified that you had reached out to them to encourage them to come down and speak today in favor of reinstating the sales tax on footwear and clothing, and that money was needed in order to protect their agencies from the cuts or impending cuts. And needless to say, I've received not specifically on you, but I've received at least almost 30 telephone calls from health care, social service and youth agencies who apparently received similar calls to administrative staff members. And I'm curious, you know, first of all, who asked you to do that? And second of all where you felt you got that basis of information that if this was to be

restored that there is any connection between the sales tax on footwear and clothing and whether or not an agency received funding and funding or not?

MR. MACGILVRAY:

I had a regularly scheduled meeting with my substance abuse agencies last -- last Thursday, and it wasn't a good meeting. I had to indicate to them that it was my understanding -- I hasn't seen the Omnibus Bill yet, however, it was my understanding there had been cuts to essentially all the mental hygiene agencies.

LEG. TOWLE:

Yeah, by your boss, a 10% across the board cut.

MR. MACGILVRAY:

There had been cuts, and that there were not restorations like we had hoped, we had lobbied for, and we had hoped that there would be. So understanding that this was a big issue for all my agencies, I called my budget office over at Rabro Drive and indicated that all my

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agencies are very upset by this, they had some indications -- I guess, where they got the indications, I don't know, but they had some indications that those cuts would be restored. So I asked that I would like to call these agencies very specifically and let them know that there would be opportunity to go before the Legislature and advocate for their budgets and advocate for their restorations.

LEG. TOWLE:

So you expect me to believe today that you took this upon yourself to call these agencies.

MR. MACGILVRAY:

I call my agencies and deal with my agencies on a regular basis.

LEG. TOWLE:

Did you call them after the County Executive submitted his budget giving a 10% across the board cut to all those agencies?

MR. MACGILVRAY:

Yes. I meet with my agencies on a regular basis. Part of my job is to advocate for their services and restorations, and I don't hesitate to do so.

LEG. TOWLE:

Okay. So your telling me that when the County Executive proposed -- I want to make sure I understand this before you leave today, because this will be my only question assuming your answer is consistent on

this. So you are telling me that when the County Executive proposed the budget cutting across the board 10%, you contacted all those agencies to alert them to the fact that County Executive had cut their budget by 10% and that they should lobby the County Executive and/or us to restore that money.

MR. MACGILVRAY:

I didn't call all the agencies. I called specific people who were involved with advocacy efforts both on the substance abuse side and the mental health side and indicated to them, let them know what's going within the County. If it's a position I think they should advocate for, that's exactly what I tell them. And I did the same thing when the -- when the recommended budget came out.

LEG. TOWLE:

Okay. I just think that you considering you do not take part in the budget process here at the Legislature or at the Executive that it is extremely dangerous for someone to assume that they have a grasp of the budget process when we've taken over five months, and to call agencies and suggest to them -- you know, where did you get off suggesting that if they were to restore the sales tax on footwear and clothing their agencies would be where restored? Did you ever make that comparison?

MR. MACGILVRAY:

Legislator Towle, I have a listing of all my agencies that were reduced here, some of them substantially. I had an opportunity to come before the Health Committee several weeks ago, and I was asked what my thoughts were on this year's mental hygiene budget, and I said

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it was a -- it was a hardship for these agencies that haven't had a state increase in some five years, that they've had to pay a 1.5 cost of living increase and they haven't had a County increase in years after that. And we've had three mental hygiene agencies close in this County since I've been here six years, and that this budget represented a hardship given the fact that the state is facing a \$10 billion cut and now the County reductions.

LEG. TOWLE:

So you knew on your own without anybody talking to you that we were going to be voting today at a special meeting that was called by the County Executive, not a scheduled meeting, on the sales tax on footwear and clothing exemption, and you encouraged them to come down and speak upon this issue on your own without anybody telling you this special meeting was called.

MR. MACGILVRAY:

What I did was I called my budget --

LEG. TOWLE:

I was born early in the morning, but not this morning.

MR. MACGILVRAY:

When I found -- I had a -- I called my budget office at Rabro Drive.

LEG. TOWLE:

And who in your budget -- let's stop talking office.

MR. MACGILVRAY:

Lenny Marchese is the Budget Director for the Health Department. And he indicated --

LEG. TOWLE:

And he told you there was going to be a meeting held today.

MR. MACGILVRAY:

He said there's another opportunity. It wasn't as if do this, but it was another opportunity to advocate for these agencies.

LEG. TOWLE:

Okay. Thank you, Tom. I appreciate you coming down today.

P.O. TONNA:

I'm next, then Legislator Foley, then Legislator Postal. Let me just get this right, okay? I just -- know Legislator Towle asked questions, I just want to find this out. Basically the County Executive submits a budget. Prior to submitting the budget. I'm sure he consulted with you or with -- you know, there's a way of going up and saying what's important, what's needed. Okay. Now you see the budget, right? You see that there are 10 to -- and I think some of your agencies that you're responsible for and interfacing with were cut 35%, right? You see --

MR. MACGILVRAY:

We have one agencies that was cut all together.

P.O. TONNA:

Okay. So you see that, and you tell the agency and then you go back to the County Executive? Did you -- I mean, did you say, why are you submitting a budget that has these cuts on these services? Do you go up the chain --

MR. MACGILVRAY:

Well, I go up the chain, but for me it's Commissioner Bradley.

P.O. TONNA:

Okay. So you've made Commissioner Bradley aware of the fact that these were cuts.

MR. MACGILVRAY:

Yes.

P.O. TONNA:

Okay. And that they would be tough to sustain and this is like a -- I don't want to use the word doomsday budget -- but it's a very, very tough budget for your department, right?

MR. MACGILVRAY:

Right.

P.O. TONNA:

Okay. Now, the County Executive brings the budget other the Legislature, some of your contract agencies that you are responsible for you say, hey, which I can understand, every Commissioner has done it, every department has done it, you know, not every, but a lot of them have done it, hey, go to the Legislators and see if we can get them reinstated, right? Okay. I'm not faulting you, by the way. I'm not trying to -- I'm not trying to set you up with any questions or anything, I'm just trying to understand the time line. They know -- and by the way, all the these agencies know already, they've been at these budget processes before. They know now they've got to go over to the Legislative Branch just like anywhere else and they've got to advocate for themselves to get reinstated, right?

MR. MACGILVRAY:

When they ask the questions, who can I advocate with, I don't stop at the Legislature, I also include the County Executive as well as the state authorities.

P.O. TONNA:

Right. Okay. So now -- now you have it where you've advocated. And Legislator Towle, I just want to get this, because I need your input on this. So now the Legislature sends over its budget back to the County Executive. This is my concern. Legislator Towle, you have mentioned to me that what happened after that was a lobbying effort after the Legislature sent over its budget to say to Legislators, Legislative Offices or whatever else, that for today's meeting, show up to today's meeting, and if you show up and they put the sales tax back on clothing, you're going to get the funding that you need in your departments. Now, the question is if -- if Gaffney -- if Gaffney put it in -- didn't put it in and then the Legislature didn't put it in, whether we do sales tax on clothing or not, whether we find a

billion dollars, okay, they're not getting any money, any additional money than the money that's already been put in either one budget or the other plan. That's just the fact. And I'm just wondering did we mislead these people.

LEG. TOWLE:

We didn't, they did.

MR. MACGILVRAY:

There was no -- there was no tie-in -- I said, there was no tie-in with the restoration of the sales tax with necessarily getting additional money. It was one last ditch effort in terms of the way I was looking at this to ensure money that would be available to perhaps get them their restoration.

P.O. TONNA:

But how did they get their restorations if there's not an appropriation line? If the County Executive says -- no, I'm just trying to understand this, because it's -- it's -- I mean, Legislator Towle has a point. It's disingenuous.

LEG. TOWLE:

How could you invite people to a meeting that was a special meeting to start with? You know what I'm saying?

P.O. TONNA:

I just think that, you know, it's bad enough the budget -- the budget. It's bad enough tough times, but it's tougher and disingenuous when you're giving people false hope, that's what I'm saying. Okay. Anyway. Thank you. Legislator Foley.

LEG. FOLEY:

Thank you, Mr. Chairman. Tom, you could tell it's been something of a contentious day for us. Before I ask you a question, I just want the record to reflect the Tom has always -- MacGilvray -- has always been considered one the finest County Directors of Mental Health Services and Substance Abuse Services throughout the state. And you've done an excellent job in challenging the state to give us additional dollars because of the unique situation this County has been in because of the three former psychiatric centers within the County. So your reputation is well deserved. I just want to ask you this question, Tom, if I may. You mentioned earlier that it was your understanding about these cuts. Who -- I'd ask like to this on the record. Who alerted you of the -- of the cuts that were not changed to the Omnibus, was it the Executive's Office, was it Mr. Marchese, or how did you find out about the results of our Omnibus?

MR. MACGILVRAY:

I had called over to Rabro Drive, and I spoke with the finance people. Lenny Marchese is the head of finance for the Health Department.

LEG. FOLEY:

But in the meeting when you were meeting with the -- the advocates and with the contracts agencies --

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MR. MACGILVRAY:

Oh, at that point that information --

LEG. FOLEY:

At that point you already knew about the Omnibus.

MR. MACGILVRAY:

Oh, I did. And that information came to me from my fiscal person who had spoken to one of the finance people over at Rabro Drive indicating that they were not the restorations we had hoped for.

LEG. FOLEY:

Some in essence it was -- it was -- they did some preparatory work prior to your meeting.

MR. MACGILVRAY:

Yes. I new I was meeting with these agencies in some sense. At that point I had not seen the Omnibus Bill.

LEG. FOLEY:

Thank you.

P.O. TONNA:

Okay. Legislator Postal.

LEG. POSTAL:

Well, I just -- I just want to say that first of all -- and I think other Legislators have had the same experience -- there are contract agencies, directors of contract agencies, who have called me and spoken to me and have told me that they were called and told exactly that they should appear here and advocate for the restoration for sales tax on exempt clothing, and their agency's funding would be restored. Now, you know, I had some of those directors speak to me and feel very uncomfortable about doing that and certainly uncomfortable because they really felt that there was a lot of pressure being brought to bear. But I think it's terrible that poor Tom MacGilvray is taking the heat for this. Because as Legislator Foley said, I have always found him to be a man truly dedicated to providing mental health services for people in this County. And if he suggested that people should come here because they could get restored

if they advocated for the sales tax, I suspect he was pressured to do that just as the agencies were pressured.

I'd like to know if Anne Arthur is here.

LEG. TOWLE:
So would I.

LEG. POSTAL:
I know that earlier she was here, and we had questions from Legislator Towle. We specifically asked her to stay here so that she could address those questions after the public portion. I asked Todd -- and is Todd here? If Todd's here I would really like to have Todd come in, because I asked him to call across to Anne Arthur and ask her to come here, remind her that she was supposed to be here to answer those question. Mr. Chairman --

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LEG. FISHER:
Before Mr. MacGilvray --

P.O. TONNA:
You have a question?

LEG. FISHER:
I just wanted to --

P.O. TONNA:
One question before Todd speaks?

LEG. FISHER:
Before Tom leaves the podium. I agree with much of what was said by Legislator Postal, although I -- I don't agree with the characterization that you were coerced in any way to do this, but possibly that you were given the impression that this was going to be another opportunity, is that what you testified to?

MR. MACGILVRAY:
Yes. Correct.

LEG. FISHER:
Okay. And unfortunately, there were many contracts agencies that were given the impression that there was a tie-in between the sales tax and their particular agencies. And that's why I specifically asked Mr. Gaffney several times what was he going to do with the \$58 million via a via the Omnibus, and there was no direct answer.

P.O. TONNA:

Thank you.

LEG. POSTAL:

I'd like to just have Todd respond. I don't know if there are other questions for Tom, but Todd? When I asked you to call over to Anne Arthur, did you reach her?

MR. JOHNSON:

No, I did not reach Anne. I did relay the message, though. And this is what I wanted to say before. We had spoken before she left about exactly Legislator Towle's question, and she directed me because most of the senior staff, as you saw, left as soon as the County Executive was -- was done. The reason for that was to go back and work on the final messages that were going to be coming over here. Most of the senior staff was involved in that. And unfortunately, this office --

LEG. TOWLE:

They should be been over there while the County Executive was here, but that's here nor there.

MR. JOHNSON:

Well, you know, actually, it's all based and turns on the actions of the Legislature here. So nothing really can move forward until this -- this body acted on the motions that were before it based on the special meeting.

LEG. FISHER:

That was five hours ago.

LEG. POSTAL:

All I have to say is --

MR. JOHNSON:

Let me finish also. Let me finish. The other point is that because, you know, -- Ms. Arthur unfortunately is caught between two -- two forces here. The County Executive has asked her to be a part of the deliberations on the veto message and the Legislature, which is requesting that she be here right now. What I -- as I said, because there is a question that Legislator Towle had, I do have that information. If you're looking for a body as opposed to the information, you know, we can certainly wait for that. But I can provide that information you asked for.

LEG. POSTAL:

Well, my only comment -- I have a few -- is that, number one, Anne Arthur was asked specifically to be here to respond to Legislator Towle's questions. The other members of the Executive Branch were not

asked specifically to be here to address those questions.

MR. JOHNSON:

Yes. But the County Executive -- the County executive did ask me to be here to answer that -- to answer that question on behalf --

LEG. FISHER:

How can he anticipate what the questions are going to be?

LEG. POSTAL:

I want to ask you a question.

MR. JOHNSON:

Yes.

LEG. POSTAL:

Why -- tell me what agencies Anne Arthur called to tell them that should be here today to advocate for the restoration of the sales tax on exempt clothing so that they could get their funding restored.

MR. JOHNSON:

The County Executive and Anne Arthur regularly meet with different County agencies. And during their discussions on the impact of the budget, there was an opportunity, I think as Mr. MacGilvray had just said, for them to relay the fact that there would be one more opportunity to vote possibly on restoring some funds. And if they, during the course of their discussions, wanted to take advantage of that to come and advocate, if there was an opportunity to do so, that they were certainly free to do that.

LEG. POSTAL:

That's not what I was told. The directors of the agencies told me that they were very clearly advised by Ms. Arthur that they should be here today, that they should speak in favor of the restoration of the sales tax, if they did, their funding would be restored, and if they

did not, that there would be implications for the future for their agencies. Now, you know, I mean, they had no reason to lie to me.

MR. JOHNSON:

The implications are that there wouldn't be any funding available if --

LEG. POSTAL:

As retribution for not showing up here. That was the message that those people received. That was what they said to me, and they called me because they were very upset, and many of those people did not

agree that the sales tax should be restored, did not want to come here and advocate for the restoration of sales tax, but were afraid that by not coming here they would jeopardize funding in the future for their agencies. Now, obviously you did not call any of those agencies, am I right, Todd?

MR. JOHNSON:
That is correct.

LEG. POSTAL:
I heard what Mr. MacGilvray said. And that was not the message he gave to his agencies. He was talking with them as he would usually do about reductions in funding, that's happened before when the state reduces funding. And that's his function.

MR. JOHNSON:
I don't believe there are any people who were called who haven't had ongoing or recent conversations with the County Executive in private where they've expressed an interest in this matter in particular.

LEG. POSTAL:
Well, you know, I will not name agencies, because I swear, this is like McCarthy days, I'm afraid to name the agencies, because they are afraid that there will be retribution. And I can tell you that the people who spoke to me have a lot of credibility with me, I've worked with them for years. And when they tell me that Anne Arthur called them and told them that they, number one, better show up here to advocate for restoration of the sales tax, if they did, they'd have their funding restored, if they did not, there would be implications regarding funding for the agencies in the future. Now, that's what I was told. You obviously cannot tell me what conversation took place between Anne Arthur and these directors. That's why we want Anne Arthur here.

MR. JOHNSON:
I understand that. But unfortunately, as you can see the hour and --

LEG. POSTAL:
Well, maybe if we stay here past 5:00, we'll get her here.

LEG. TOWLE:
Legislator Postal, if you would. I would like to extend the courtesy to Anne Arthur to allow her to come down tomorrow morning at 9:30. So since it was not important enough for her to come over here now while we're voting on the budget now, we'll hold this whole process up to

problem with doing that. Because before I vote on any of this nonsense, I want to get to the bottom of the nonsense that he has started and members of the Administration have started. So I make a motion as well to recess --

LEG. GULDI:
Second.

LEG. TOWLE:
-- to tomorrow morning at 9:30.

LEG. FISHER:
Motion to recess.

LEG. POSTAL:
I think that that's -- you're talking about recessing the whole meeting?

LEG. GULDI:
The whole meeting until 9:30 tomorrow morning. Motion and second.

LEG. POSTAL:
I would really. I would like to --

LEG. TOWLE:
See what happens when you go out of the room.

LEG. FISHER:
How to get the P.O. back.

LEG. GULDI:
We're at recess now --

LEG. TOWLE:
You were in there calling your wife, right? We are at a motion to recess till tomorrow morning at 9:30.

P.O. TONNA:
I'm going to -- on the motion. I'm going to make a suggestion. Could we -- first of all, there are vetoes that have to come over. Listen, you might not like it one way or the other. The County Executive has a position, we have a position, all right? Thirteen Legislators had a position on an Omnibus 1. All that I would say is this, 17 on the sales tax, that's correct.

LEG. TOWLE:
Actually, 18. You had a position too.

P.O. TONNA:
I had a position, that's right.

LEG. TOWLE:
You hid under a rock.

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P.O. TONNA:
No, I didn't hide under any rock. I had -- no. I hid under no rock.
All I can say is this, they they're going to -- they have until 12
o'clock tonight to do vetoes, okay? That's not true, they have to 12
o'clock tonight to do vetoes.

LEG. FISHER:
Mr. Chairman, there's a members of the Administration who deceived
people, who coerced people. We have asked that person --

LEG. TOWLE:
A high ranking member.

LEG. FISHER:
A high ranking member. We've asked that person to come here to answer
questions, and she's refused.

P.O. TONNA:
I know, but I would -- my suggestion is this. Those two things while
-- I'm still on the motion. Those two things while they are -- for
some people see them related, we still have government to run, the
County Executive is going to send over vetoes. I think we should give
him a clear indication of where we are.

LEG. GULDI:
Can I make a point of order, Mr. Chairman? Mr. Chairman, a point of
order. Is a motion to recess a debateable motion?

MR. SABATINO:
Yes.

LEG. POSTAL:
Our parliamentary expert says yes.

P.O. TONNA:
Okay. So all I'm asking is I'm asking Legislators to --

LEG. BISHOP:
Motion to adjourn.

P.O. TONNA:
I'm asking Legislators -- I have the floor. I am asking Legislators
to think twice about this. You will have, I am sure, at one

opportunity or another, Ms. Arthur to come and to answer your questions. One thing is not related to the other. She's on her way?

MR. JOHNSON:

I haven't received that word.

P.O. TONNA:

No.

LEG. TOWLE:

Mr. Chairman, on the motion.

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P.O. TONNA:

All right. I said my peace.

LEG. TOWLE:

You know, I beg to differ with you. I beg to differ with you on the issue that one is not related to the other.

P.O. TONNA:

I didn't say they're not --

LEG. TOWLE:

We have sat here for four and a half months, whether we've agreed or disagreed, and you and I have -- I'll say it right up front -- have agreed and disagreed on a lot of things, but it never went to the gutter, and that's what this is. It's gutter politics, it's gutter government, it's not honest, and it's not fair to correlate two Legislators that if you do this, this is going to happen for our agencies. And in fact, although I did not support your Omnibus, your Omnibus, unlike the bills that were sent over by the County Executive, actually restored most of that funding. So it's just not true, it's just not true to suggest that even if we were to do this, any of that money, whatever that amount is, is going to wind up in any of those agencies.

P.O. TONNA:

Well, I think the agencies -- I think the agencies understand that they've been played. The only thing I ask is I would like this Legislature to give clear direction today, if not it doesn't matter, there will be a list of vetoes to come through, but a clear direction whether we're up or down about this special meeting, the CN that the County Executive has called. Let's just give the People of Suffolk County clear direction.

LEG. BISHOP:

Didn't we give clear direction when we voted last week.

LEG. GULDI:
17 to 1 wasn't clear?

LEG. POSTAL:
Mr. Chairman. Mr. Chairman.

P.O. TONNA:
You're going to have an opportunity tomorrow to talk a thousand things.

LEG. POSTAL:
Mr. Chairman, on the question.

P.O. TONNA:
I'm going to recognize Legislator Postal.

LEG. POSTAL:
I would -- I don't even know if there is a motion and a second.

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P.O. TONNA:
There isn't yet.

LEG. FISHER:
Yes, there is.

LEG. POSTAL:
Well, we have some -- we have some confusion.

LEG. FISHER:
I made a motion --

P.O. TONNA:
Oh, to recess, you mean.

LEG. FISHER:
To recess.

P.O. TONNA:
Oh, yeah. I thought you meant for --

LEG. POSTAL:
I thought you meant -- well, let me -- you know, I would really like to have an opportunity to speak, because it may be relevant to whether people will vote to recess this meeting or whether there will be a motion on the Certificate of Necessity regarding the sales tax restoration. You know, I heard the County Executive refer to -- I

guess Todd can sit down -- refer to 1992 and the 1992 Budget. I heard him talk about how this Legislature and the Executive Branch has worked together so cooperatively on budgets. And I just wanted to refresh everybody's recollection with a little history. In the 1993 Budget, which was the first budget the County Executive Gaffney presented to us, the -- he actually said the Legislature's budget was not real and was patently illegal and that \$32 million of the budget was speculative and patched together with phony revenues. Does that sound familiar to anybody here?

Now, the Legislature -- and by the way, I think that was the one that proposed -- yes, that was the Gaffney budget that proposed the 20% tax increase, those of us who were here remember that one. The Legislature -- oh, he also said, I must continue because they are so many familiar things, it's like *deja vue* all over again. And those people who do not learn from history take the chance of repeating the same mistakes. He also said that the budget could cause Wall Street to drop the County's bond rating to junk bond status. Now, the Legislature amended the budget, and actually eliminated the County Executive's proposed tax increase. Wall Street did not downgrade our bond rating, he was wrong, we were right.

Now, moving ahead to his submission of the proposed 1994 Budget. That budget eliminated appropriations by 25%, which were restored by the Legislature. The sky didn't fall and everything went well, he was wrong, and we were right. 1995 Budget, that was marked by the County car leasing scandal, remember that one? And a 3% across the board budget cut that again, you know, contract agencies, departments, 3% across the board. Now for the first time ever, talk about unity, for

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the first time ever, the Legislature rejected the County Executive's Budget 18-0, he was wrong, we were right.

In 1996, the County Executive's proposed budget was marked by a \$25 million revenue shortfall that forced the Legislature to use quarter percent tax stabilization money to plug the hole. The Legislature also sunset a quarter percent of the sales tax, which was to have been temporary, you'll remember, we only put that in to be temporary. So we sensed that. The County Executive vigorously objected, gave us dire warnings of what would happen if we eliminated that quarter percent of the sales tax, sky didn't fall, he was wrong, we were right. 1997 Budget, the County Executive failed to comply with the dual budgeting law that required the Legislature to rewrite the whole budget, we had to rewrite the entire County budget. The Legislature also cut the Police Department by \$5 million, and the County Executive protested and vetoed and said that the Police Department couldn't function. You know what happened? No problem. He was wrong, we were

right.

The 1998 Budget, the County Executive sued the Legislature over contingency accounts after the County Executive filled more than 800 vacant positions at the end of the year, despite the desperate need for \$30.5 million to meet the costs of the AME contract. And I'll tell the Presiding Officer, who was Presiding Officer Rizzo, if I remember correctly, sent a letter to the County Executive informing him that it was very important that he not fill any of those vacant positions, those of us who were here remember that, and disregarding those letters completely, he filled those positions. By the way, the Court ruled that the contingency accounts could still be created by the Legislature, he was wrong, we were right.

1999 Budget was marked by the financial crisis in the sewer district requiring rate increases as high as a 100% for some sewer districts. I know Legislator Caracappa remembers this vividly, right? The Legislature rejected the County Executive's plan for a sewer authority, remember that sewer authority, sewer district consolidation and a Wall Street scheme named Unitrust. Now, the Legislature, on the other hand, developed a plan for tax stabilization of sewers, environmental protection and General Fund tax stabilization, which has saved a minimum of -- are we ready for this -- \$345 million. Now that -- that's a lot of money saved for taxpayers. Again, he was wrong and we were right.

Now, in the 2000 -- it is -- well, you know, he doesn't get it. In the 2000 Budget -- I'm not finished -- the County Executive objected to exempting clothing purchases up to \$110 from the sales tax. Remember that he warned that it would lead to shortfalls and an unbalanced budget, we'd be in absolute fiscal disaster? Well, it worked very well, and we just heard what it's done for Tanger. Again, he was wrong and we are right. The 2001 Budget, the Legislature cut the County Executive's proposed tax increase and secured a \$17.2 million revenue from the jail overcrowding litigation. That was Legislator Bishop's initiative. The County Executive called the \$17.2 million a one shot revenue. You know, these terms keep coming back. I've heard them again this year, one shot revenue, Wall Street's going to downgrade us, speculative revenues. But he was wrong then in 2001

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and we were right.

2002 Budget, the County Executive strongly supported tobacco securitization and insisted it was the only way to meet increased costs. The Legislature rejected securitization, and the Budget Review Office determined that had we securitized tobacco revenues, we would have lost tobacco revenues to the tune of 22 to \$23 million this year.

Now in -- again, I forget my tagline, he was wrong and we were right. In 1999, in a County funding overview, the Budget Review Office concluded that for the period of 1992 to 1999 that the Legislature reduced the County Executive's recommended tax levies by \$89 million and reduced sales tax by \$155 million. That is not too bad. The Legislature also reduced the Capital Program by \$240 million.

Now, as I sit here this year and I listen to the same County Executive tell us that we're wrong, that we've made mistakes, that we don't have the capability of putting together a budget that will benefit the taxpayers and this County, I have to look back at every single budget since the very first one prepared by this County Executive and the fact that this Legislature rewrote those budgets every single time, and the results were beneficial to the County. Now, when you go back, if we hadn't done what we did and what we continue to do this year, we would have had such things as a 20% tax increase the first year with the first budget, we would have had that Wall Street scheme with regard to sewer stabilization and on and on and on. You heard it.

So, you know, I just ask you to have some faith in not only what we do, but I know everybody here has enormous faith and enormous respect for the credibility of the Budget Review Office. They've never failed us before, they've given us good advise. And no matter what the County Executive has said, we've had enough faith in them to do what we know is right with their advice and their recommendations. We should do it again this year. We decided not to go ahead with increasing -- restoring the sales tax on exempt clothing. We came up with a balanced budget, and we came up with a restoration of agencies to provide vital services. We did a very good job.

LEG. BISHOP:
What should we do?

LEG. POSTAL:
We should leave in place what we did. I'm proud of what we did, I see no reason to change it either tonight or tomorrow. Thank you.

LEG. GULDI:
On the motion.

P.O. TONNA:
On the motion, Legislator Guldi.

LEG. GULDI:
Could you repeat that? On the motion.

P.O. TONNA:
Who let the dogs out? I'm sorry. Wait, wait, wait. Legislator Guldi, Legislator Alden was next, then you. I's sorry, it was my

fault. No, no, go ahead, Legislator Alden.

LEG. ALDEN:

All right. You mentioned before that Gaffney has until midnight. No, he's got until 5:00, so he's got 15 more minutes.

P.O. TONNA:

No. He's got until midnight.

LEG. ALDEN:

Is that true?

MR. SABATINO:

Statutorily it's midnight, the day ends at midnight.

LEG. ALDEN:

I was going to hang around until five, though, and see what he came up with.

P.O. TONNA:

He's got until midnight. Sorry.

LEG. GULDI:

That's all right. We won't get out of here by five anyway. On the motion. I wanted to make a couple of points about the recess motion. I mean -- and I don't think it's that we should make a practice of recessing and notwithstanding recent precedent recessing all special meeting.

LEG. TONNA:

I usually do it after 30 seconds, not after five hours.

LEG. GULDI:

And particularly similar where we have had a full opportunity to debate and discuss the issues. But the profound level of disrespect for this Legislative body coming from the County Executive to either secrete a Deputy County Executive who has -- secrete, hide. The word -- it's a fancy word for hide, a \$4 word. The fact of the matter is that we have -- we were here for the theatre, we listened to the -- respectfully -- to the show, we asked our questions, and yet we're left here with the serious questions about -- about how this process was lobbied for, which truly cuts to the core of the Legislative Executive role, when the -- if the Executive and its personnel are using improper tactics to lobby the Legislature, that goes to the core of process.

(RETURN OF STENOGRAPHER - LUCIA BRAATEN)

LEG. GULDI:

The arrogant refusal to make those people available notwithstanding the multiple requests of both the Presiding Officer and the Deputy Presiding Officer and my colleague is enough to say -- for me to urge -- it compels us to recess the meeting and take the matter up, it's addressed in the Certificate of Necessity as and only when those personnel are made available to us. And therefore, I suggest we vote for this recess motion.

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P.O. TONNA:

Okay, thank you. I just --

LEG. HALEY:

Roll call.

P.O. TONNA:

No. I can always recognize myself, so just Legislator Lindsay has the next --

LEG. GULDI:

Why do you need all those pictures then?

LEG. LINDSAY:

On the issue of recessing. I'm opposed to recessing. We came here, let's vote this thing up or down and move on tomorrow morning. I know this thing with Assistant County Executive Arthur is disturbing to all of us, but I think that's something we can take up for another day. Let's address the main issue here and make a clear message of what to do with this Certificate of Necessity.

LEG. BISHOP:

On the motion.

P.O. TONNA:

Yes. Legislator Alden and then who else? Legislator Bishop, you want to be recognized?

LEG. BISHOP:

Yes. I thought I was first, but that's all right.

LEG. ALDEN:

No, go ahead.

P.O. TONNA:

Legislator Alden. I've cut Legislator Alden off a number of times.

LEG. ALDEN:

I just had one other -- what's the legal ramification of us recessing this meeting?

LEG. BISHOP:

That's my question.

MR. SABATINO:

If you recess this meeting, it has to be to a time certain tomorrow. What will happen is at some point in the middle of the regularly scheduled meeting, you'll have to interrupt that meeting to go into session for this particular meeting at that point. Then when you conclude that meeting, you'll come back to the regular scheduled meeting.

P.O. TONNA:

We have so much tomorrow, a meeting in a meeting -- all I can say, not that I haven't done it before, but a meeting in a meeting seems to me the best alternative is we're going to be here all day tomorrow

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together, we're going to have another -- I'm suggest why are we doing this? Let's give -- I think, if you want to show --

LEG. TOWLE:

Could I answer your question since you jumped ahead of the list?

P.O. TONNA:

No. Legislator Bishop doesn't have one.

LEG. BISHOP:

Yes, I do have a question. Is Legislator Alden done?

P.O. TONNA:

Yes.

LEG. BISHOP:

I'll yielded to Legislator Towle, but I'd like to reclaim my time.

LEG. TOWLE:

I just want to make a comment. Mr. Chairman, it's more than an issue of why are we doing this for me or you, it's an issue of protocol and respect. When you go out and tell agencies inaccurate information, and you are the number four or five or sixth person in the administration of the County Executive's Office making some 70 or 80 or \$90,000 a year and telling agencies to call Legislators to let them know that they should vote for the sales tax on footwear and clothing so that our agency is restored, goes well beyond anything that I've

ever seen as a member of government elected or appointed. And that person before I vote -- it's not going to change my vote on this, my vote is going to be the same, one way or the other, today or tomorrow, but there is an issue of respect, decorum and the way you conduct business. And the minute we throw those rules out, we have absolute anarchy.

LEG. HALEY:
Roll call.

P.O. TONNA:
Okay. Anybody else? Legislator Bishop, now you want your time.

LEG. BISHOP:
Yes. I'd like to ask Mr. Pollert a question, because I believe that a memo was written over the weekend which suggests that the best most informed course of action would be for the Executive to issue vetoes first and then to consider revenues second.

P.O. TONNA:
Yeah, okay. That's a good point.

LEG. BISHOP:
Mr. Pollert, is it possible to give a synopsis of that perspective?

MR. POLLERT:
The Legislature can consider sales tax in clothing either today or they can consider it tomorrow after the vetoes have been issued. Clearly, if you consider it after the issue of the vetoes as well as

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the veto overrides, you'll have an indication of where the tax levy is going to be. So if the County Executive vetoes a whole group of items --

LEG. BISHOP:
Expenditures or revenues?

MR. POLLERT:
-- and you adopt the sales tax prior to that, you could still wind up with a property tax increase. If you consider the sales tax after sustaining a group of vetoes that may result in a property tax increase, you can factor that in, and the County Executive has the capability of putting in a budget amendment until such time as you adopt the levy, which could divy up where that \$58.2 million would be used; to either lower the levy or put a portion of it in tax stabilization reserve or pay as you go, or where ever there would be an agreement between the Executive and the Legislature.

LEG. HALEY:

Roll call.

LEG. BISHOP:

I just want to know is it fair -- is it fair to say then, Mr. Pollert, the course of action that would yield the most information is to wait?

MR. POLLERT:

That would be correct.

LEG. HALEY:

Real call.

P.O. TONNA:

All right. Thank you. Just one last question. I just want to address this \$14 million thing, since we're going to vote on recessing. I just need to address an issue that the County Executive brought up about this being a speculative revenue and that there is no bill in front of anybody. From what I understand, Fred, is that the state is very clear and that there is a bill circulated with support both from the Senate side and the Assembly side and the Governor, that they're all on record supporting something like this?

MR. POLLERT:

The Governor has proposed legislation, the legislation has not been laid on the table, because currently both the Senate and the Assembly are in recess. It's expected that the Senate will come back in December, at which point they can introduce the legislation. The revenue was of concern to the group that put together the omnibus bill. What the omnibus bill specifically does is it directs that the treasurer what when the revenue comes in post them to --

P.O. TONNA:

Tax stabilization.

MR. POLLERT:

-- the general fund and then move them to tax stabilization reserve fund and an equivalent transfer come from the tax stabilization to the

general fund. So the general fund will be made whole for the \$14.7 million. If the revenues do not materialize, they will not materialize in the tax stabilization reserve fund.

P.O. TONNA:

You checked with auditors too, state auditors?

MR. POLLERT:

The Budget Review Office contacted the County's independent auditors Ernst and Young, who advised us that the cash had been previously advanced to the County, but the County had never recognized it as a revenue. When the revenues come in, they can be recognized as a revenue, because the County has, in fact, provided the services to the State of New York.

P.O. TONNA:

So okay. The last thing which had bothered me was that the County Executive said that there was -- that we raided the tax stabilization fund, where did he get that from?

MR. POLLERT:

If the \$14.7 million does not, in fact, materialize, if the State of New York does not pass an enabling state legislation, those revenues will not about posted to the tax stabilization reserve fund. But in any event, \$14.7 million will be coming from the tax stabilization reserve fund to the general fund. So if the revenues do not, in fact, materialize, it will lower the fund balance in the tax stabilization reserve at 14.7.

P.O. TONNA:

So he's trying to get a double banger here. He was trying to say, one, that the revenues were speculative, and two, that we raided the tax stabilization fund, which is really not true, because either --

LEG. FISHER:

It's the same 14 million.

P.O. TONNA:

Yeah. It's the same 14 million. So at the worst case scenario, they're real revenues, and we either raided the tax stabilization or -- there's not two rates, just one.

LEG. HALEY:

Roll call.

MR. POLLERT:

So under a worst case scenario, if the revenues did not come in, the tax stabilization reserve funds fund balance would decrease from \$24 million, it would increase by about \$14.7.

P.O. TONNA:

So this is not \$24 million of speculative -- \$28 million worth of speculative revenue?

MR. POLLERT:

That would be double counting.

P.O. TONNA:

We could bring up Segal Company to talk about that. But any way, let's now, I guess we want to vote.

LEG. CARPENTER:

On the motion.

P.O. TONNA:

Yes, on the motion.

LEG. CARPENTER:

With it being a CN, based on what Legislator Bishop asked of Budget Review that it would be more prudent to vote on this after we've seen what action is going to be taken, should we not, if we can, table this to tomorrow's meeting?

LEG. GULDI:

No, you can't table a CN.

P.O. TONNA:

Then we can't have a meeting in a meeting.

LEG. FISHER:

Actually, it's one more resolution in a meeting, not meeting within a meeting.

LEG. CARPENTER:

If you recess the meeting, then you have a meeting within a meeting, which the Presiding Officer has said he'd rather not have. Could we table this resolution until tomorrow and then adjourn this meeting?

MR. SABATINO:

You could table the resolution itself to tomorrow, but I think what's coming out of discussion is a desire to get the information that Budget Review has communicated, which is to know what your vetoes are. The only advantage in recessing the meeting you that you can control that by saying you're recessing the meeting until seven o'clock or six o'clock or eight o'clock and know for certain that you'd be doing it after you have the vetoes. If you just table the resolution, then the resolution will come up at the beginning of the agenda.

LEG. CARPENTER:

We could always postpone action on it during the course of the day tomorrow.

P.O. TONNA:

I don't think people want to table it though.

MR. SABATINO:

You have several options. If you want to avoid a vote on the bill itself today for tactical reasons, then recessing gets you away from voting on the bill. If you don't want to have a meeting within a meeting, you can table it. But the problem is if you table it, then you're probably going to have to table it a second time tomorrow, because it will be the first thing -- it will be at the beginning of the agenda as opposed to being at the end.

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LEG. CARACAPPA:

I have a procedural motion. What if we were to make a motion to recess the remainder of this agenda and fold it into the regular scheduled meeting tomorrow? So I'd make a motion to recess and make this part -- make it part of tomorrow's regularly scheduled meeting.

LEG. FISHER:

I'll second that.

P.O. TONNA:

I don't think we can do that, but let's see.

LEG. CRECCA:

On the motion.

P.O. TONNA:

Let's just wait one second. From a standpoint, can you do that, Paul?

MR. SABATINO:

Well, that actually is a fourth option. You can do it -- well, there's two ways to do it. You can either recess this meeting to, like I said, pick four o'clock or five o'clock or six o'clock, in which case you're certain that you're going to be doing it after you fully digested all of the veto information. Second option would be to table the bill itself to the end of the agenda of the regularly scheduled meeting, this way you know it would be the last thing you would be dealing with. That means you'd have to vote once tonight on the bill itself to table, then tomorrow night at the end of the agenda, you'll be able in a position to vote. So it really comes down to what you feel more comfortable with in terms of the vote, a recess to a time certain --

LEG. FISHER:

On the motion.

MR. SABATINO:

Or voting on the bill itself.

P.O. TONNA:

I hear everybody. After Legislator Caracappa, then Legislator Fisher.

LEG. CARACAPPA:

My point, I'm trying to come up with the best motion where we could take up this business any time during tomorrow's regularly scheduled meeting. So whatever motion that is, I think that's the most prudent one.

MR. SABATINO:

Then the last motion I mentioned, which is if you table the resolution itself, the CN, to the end of the agenda, then at some point during the course of the day, you can make a motion to take it out of order if you feel you've satisfied all of your veto override information questions.

LEG. POSTAL:

Mr. Chairman, I have a question for Paul.

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P.O. TONNA:

Legislator Fisher is next.

LEG. BISHOP:

Would you yield?

LEG. CRECCA:

I was asking Legislator Caracappa to yield.

LEG. FISHER:

To whom am I yielding?

LEG. BISHOP:

To Andrew.

LEG. CRECCA:

Thank you, Legislator Fisher. Just we've sort of been having a whole little discussion over here too. I think we can accomplish everything everyone wants to accomplish to a very simple motion to table subject to call. If we do that, the bill will be tabled, it's subject to call at the Legislature. We can call it up any time we want tomorrow. That accomplishes everything that we want to do, we'll have seen the vetoes. We don't have to call it if we don't want to call it, but it seems to be --

LEG. BISHOP:

We don't have to have another meeting tomorrow.

LEG. CRECCA:

That's correct. And that way we accomplish everything we want to accomplish.

LEG. FISHER:

If I could just take my time back, because I'd like to give the rationale. I would like to recess the meeting, but not to a time certain, so that we can deal with this bill when we are prepared to deal with it. And the reason I would like to recess the meeting rather than table the motion is that we were called here by the County Executive. We came to his meeting. We have out of courtesy and respect, we were here for a command performance for the theatre of this meeting. As a Legislature, we asked that Anne Arthur appear before us, because of questionable proceedings, questionable behavior on the -- on their part. I don't believe that this meeting is over until they have responded to our questions. And I believe that, therefore, we should recess the meeting rather than just table the motion.

P.O. TONNA:

I can understand that.

LEG. CRECCA:

I'm next.

P.O. TONNA:

No, Legislator Postal, then you.

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LEG. TOWLE:

Mr. Chairman.

LEG. POSTAL:

I'll yield to Legislator Crecca.

LEG. TOWLE:

Add me to the list.

LEG. CRECCA:

I was going to say the two motions are not necessarily mutually exclusive. We can still table subject to call and still recess the meeting. Your point -- I'm not going to argue your point.

P.O. TONNA:

She makes a good point.

LEG. CRECCA:

So what I will do is I'm going to make a motion to table subject to call.

LEG. CARACCILO:
Second.

LEG. GULDI:
Point of order. A recess motion is pending.

MR. SABATINO:
Recess motion takes priority over all motions. Table subject to call would take priority to --

LEG. CRECCA:
On my motion, I would ask that my distinguished colleague, Legislator Guldi, withdraw his motion.

LEG. GULDI:
It's not my motion, it's Fred's motion, but I have a problem with it.

LEG. CRECCA:
Then just my colleague.

LEG. GULDI:
The table subject to call would table it to no time certain, but the recess motion has to be to a time certain. At 9:30 we will reconvene the meeting, which only have before us a tabled subject to call resolution. I submit --

LEG. BISHOP:
Then we adjourn.

LEG. GULDI:
I submit instead that what we do simply recess the meeting, deal with the timing in the morning, and still wait for the County Executive to deliver Anne Arthur to us then.

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LEG. TOWLE:
Mr. Chairman.

P.O. TONNA:
Legislator Towle has the floor. And I would ask that -- we're getting -- this is getting very convoluted.

LEG. TOWLE:
No, it's not convoluted at all. Any and all of the options that have been discussed are options and can also be options tomorrow, no

different than they are options today. None of those options disappear tomorrow. The only difference between the options that have been described and the options that I gave is that at 9:30 tomorrow morning, we'll be here to talk about this bill. And if we're going to address it, Anne Arthur better be here too. That's the only different difference.

P.O. TONNA:

Let's do it. I think Legislator Fisher's got me convinced now. Can we vote? There's a motion by Legislator Towle and a second by Legislator Guldi.

LEG. TOWLE:

Roll call.

P.O. TONNA:

Wait. Let me be clear. Recess this meeting until 9:30 in the morning. Okay. All in favor? Opposed?

LEG. CRECCA:

What time?

P.O. TONNA:

9:30 in the morning.

MR. BARTON:

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P.O. TONNA:

Done.

(*THE MEETING WAS RECESSED AT 5:02 P.M.*)